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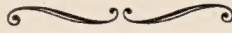
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VOLUME 11

CASES ON COOPERATIVE ADVERTISING

WITH INTRODUCTION AND COMMENTARIES

BY

NEIL HOPPER BORDEN

Associate Professor of Advertising

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EDITOR'S FOREWORD

Although the subject matter of this volume falls largely within the field of advertising, it also describes many of the workings of cooperation among competitors. There is a growing consciousness among business men as well as among students of business that in part at least the remedies for many economic maladjustments are likely to be found in voluntary group activities undertaken by competitors. Recognition of a common competitive objective by leading units in an industry may be regarded as a step toward a somewhat happier type of competition than that which too often has existed in the past. The cases detailed in this volume throw much light on the nature and limitations of one type of cooperative effort based on such recognition.

CHARLES I. GRAGG.

April, 1932.

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HARVARD BUSINESS REPORTS

VOLUME II

HARVARD BUSINESS REPORTS

INTRODUCTION

In this volume I have prepared for each case a commentary in which I have attempted to point out particular points of interest or significance to be found therein. The purpose of this Introduction is to provide a background for the individual cases and commentaries by bringing together a statement of some of the more important considerations involved in cooperative promotion and advertising. In it I wish to treat three separate groups of topics: First, the economic basis of cooperative promotion and advertising, that is, the character of demand; second, certain basic considerations involved in estimating the opportunity of a group of manufacturers to stimulate demand for a product; and third, some of the more important problems involved in the actual carrying out of cooperative advertising and promotional efforts.

I The Economics of Cooperative Promotional Efforts—The Character of Demand

This group of cases on cooperative advertising by competitors calls attention to what frequently in recent years has been termed "the new competition," that is, the competition between industries. Now a perusal of the writings of the orthodox economists will readily show that reference to inter-industry competition as "new" is a misnomer. As a matter of fact, it might better be called the older competition, while the intense competition among branded products of the same type, which our business men have thought about primarily in their daily lives, is the newer form. In the last few decades the development of an intense struggle between manufacturers to gain a market following for their brands by means of advertising and aggressive methods of selling has focused attention largely on inter-company competition within an industry. In very recent years, however, intense competition between industries and quickening shifts either up or down in the

demand for the products of different industries have brought to the fore fresh realization that there are two forms of competition: that among competitors in a particular industry, which we may term the competition for *selective demand*, that is, selection on the part of consumers between different brands or sources of supply; and that between industries, which we may term competition for *primary demand*, namely, an attempt to secure for each particular industry a greater share of the purchasing power of the community.

The very fact that there has been so much reference to inter-industry competition as the new competition makes it worth while, perhaps, to go back and outline briefly the nature of demand as conceived by the orthodox economists. Although such a step may seem elementary, it gives us a basis for viewing the economic significance of the type of endeavor demonstrated by these cases on cooperative advertising.

The demand for any product arises from the utility of that product to individuals in the market. Each consumer has pressing in on him numerous wants which he desires to gratify. His separate demand for each of many different products is determined by the character of his many wants and by his income. In purchasing to fill these wants, the individuals within a market create a combined demand which we may term the *aggregate demand* as contrasted with the demand of any individual. The economist, then, in studying demand, recognizes that the starting-point is the individual, although he ordinarily studies, not the individual, but rather the course of action that may be expected under certain conditions from a group as a whole. It is interesting to note this fact because it is a basic principle of modern business that every sound marketing program begins with the consumer. Modern selling and advertising think in terms of the individual consumer, his buying habits and his buying motives.

The purchasing power of most individuals is limited. Each one ordinarily has to exercise choice in the wants which he satisfies or the extent to which he will satisfy his various wants. At any given time, the individual consumer, driven by the necessity of apportioning his income among purchases to satisfy his various wants, has for each type of product a demand curve. That is, he has a schedule of the amounts of each which he will purchase at various market prices. The individual consumer's demand curve for a product is determined by the utility of successive units

of that product to him. It is affected, on the one hand, by the *law of diminishing utility*, which is a recognition of the fact that the additional benefit which he derives from a given increase of his stock of a commodity diminishes with every increase in the stock already in his possession. It is governed, on the other hand, by the strength of his desire for other products, because purchase of one thing at a given time ordinarily means the foregoing of another thing.

The term "marginal purchase" has been given to describe that unit of a commodity "which he (the prospective buyer) is only just induced to purchase because he is on the margin of doubt whether it is worth his while to incur the outlay necessary to obtain it. The utility of his marginal purchase may be called the marginal utility of the thing to him."¹ Theoretically, in our present money economy the individual will adjust his expenditures for different types of products, so that a dollar spent on one type will give the same marginal utility as that spent on other types. Numerous products which he might want are foregone because he chooses to spend his income on products which have a greater utility to him.

Another important element in the orthodox economists' concept of demand is embraced in the term "elasticity of demand." This term refers to the degree of diminution, as expressed by price, in the demand for additional quantities of a commodity. The economists recognized that the elasticity of a demand was low for products with which people are quickly satiated, such as salt, but high for other articles for which satiety does not set in so quickly, for example, oranges. Furthermore, it was realized that the elasticity of demand for different products varied with different classes of society, for it is necessary to think of price always as relative to the buying power of the individual. As pointed out before, the aggregate demand is made up of a combination of the demands of many individuals in a community, so that the total amount of goods sold at a price depends upon the marginal purchases of the various individuals, no matter what amount of income each may have. Although variations in price will affect the amount of purchases for different individuals in varying degree, the market as a whole will show a responsive trend to price changes.

¹ Marshall, Alfred, *Principles of Economics*, 8th ed., Macmillan & Company, London, 1920, p. 93.

From the foregoing brief résumé of the nature of demand as crystallized by Alfred Marshall, we may see that the orthodox economists have given important recognition to the competition between different products for a share of the individual consumer's income. They also have made a careful analysis of the competition between producers or sellers of a given product and thus have built up their concept of supply curves for different products which at any time, when related to the aggregate demand, tend to result in market prices. It is well to note, however, that in their discussion of the competition between sellers small attention has been given to the significance of brands as related to demand, largely perhaps because brands did not play so important a part in the business structure at the time of their study. Thus we do not find in their discussions a satisfactory treatment of what we have termed *selective* demand.

In studying the orthodox economists' concept of demand for any product, it is essential to realize that they were considering a static thing—an unchanged demand. This fact accounts for their discussions explaining change of quantities taken primarily in terms of price. Marshall, whom we may look upon as a chief spokesman, emphasized the relations of prices and quantities; and he recognized that, with the passage of time, factors other than price would enter in to affect quantities demanded. In other words, in a dynamic society there is a continual adjustment of demand curves on the part of individuals through a readjustment of their desires and wants. With shifting demands on the part of individuals, the aggregate demand, which is the combination of numerous individual demands, tends to shift.

It must be recognized that one aspect of a dynamic society is changing purchasing power. If the purchasing power of a society is increasing, competing industries have an opportunity to increase the amount of the aggregate income which each receives because the total income is larger. When purchasing power decreases, however, competition between industries becomes intensified and certain industries may find themselves particularly pressed because new demand schedules have been set up on the basis of the reduced purchasing power, and quantities which might have been marginal purchases with greater purchasing power are now cut out. Such changes are constantly taking place in a dynamic society.

Cooperative advertising among competitors is a striking illustration of the fact that we live in a dynamic society. It is an attempt on the part of manufacturers and of sellers to change the demand curves of individuals, and consequently the aggregate demand, for products which that industry has to sell. Thereby the industry may get a larger share of the total purchasing power of the community. By making a product appear more desirable, it hopes to increase the utility of that product to individual consumers. The result may be either purchases by previous non-users, or purchases by present users of greater quantities of the product at a given price or equal quantities at a higher price, with probable consequent displacement of purchases of other products now less desirable relatively. In the technical terms of the economist, cooperative advertising of manufacturers seeks to establish a new demand curve for a product or to raise among consumers the utility of the product.

Ordinarily, manufacturers in undertaking cooperative advertising are not thinking so much about creating a demand sufficient to enable them to raise the price for their product as they are of increasing the amount of the product which may be sold at the current price. Usually by so doing they may use more completely their manufacturing and marketing facilities and thus increase profits.

In a dynamic society in which the wants and the purchasing power of consumers are continually changing,² with a consequent

² The phenomenon of change in demand over a period of time is clearly brought out in Professor M. T. Copeland's study on marketing in the volume, *Recent Economic Changes in the United States*, published for the National Bureau of Economic Research by the McGraw-Hill Book Company, Inc., New York, pp. 321 ff. After pointing out some of the more striking changes that have taken place, he makes the following summary:

"To sum up, the causes for changes in demand can be attributed, on the one hand, to the ingenuity of manufacturers in applying to ordinary uses new ideas, materials, and machinery which were developed during the war period, and to the devising of new products which rapidly attained popularity. The spread of the demand for many of these products was stimulated by the utilization of aggressive methods of marketing and sales promotion. On the other hand, the changes in demand were caused in part by the prevalence of high money wages, by the fact that the War and the subsequent boom had shaken many people loose from their old standards and made them receptive to new fashions and new notions. The modified economic conditions also placed a premium on the introduction of labor-saving devices. Thus, these changes in demand can be attributed partly to consumers and partly to the ingenuity of manufacturers and merchants in sensing the receptivity of consumers and in stimulating latent buying motives. While these changes were occurring, some industries were prosperous and others unprofitable. Changes in demand, furthermore, presented new problems in organization and were accom-

shifting of demand curves, we need a term to express the susceptibility of products to increase in demand through stimulation of desire for them by education or aggressive selling over a period of time. Such a term is needed to supplement that of "elasticity of demand," which relates increases or decreases in demand to changes in prices and assumes that factors which have a bearing on demand other than price are held constant. We find such a term in "expansibility of demand."³ A product with expansible demand is one for which the demand can be increased, without change of price, through appeal by sellers to consumers' buying motives. Conversely, a product, the demand for which cannot be readily increased by an appeal to buying motives, is one with an inexpandible demand. The problem involved is that of relative difficulty of creating new demand *curves*.

Examples of products which have demonstrated in recent years an expansible demand are oranges, paint, greeting cards, and portland cement. Articles with relatively inexpandible demand are matches, white flour, potatoes, and the like.

Some economists have attempted to relate the advertisability of products to their elasticity of demand. An explanation of the working of advertising or aggressive selling in terms of elasticity of demand is not likely to be satisfactory, for, as we have stated, through advertising or salesmanship the manufacturer usually seeks to bring about increase in demand not by changing the price but by creating on the part of individuals an entirely new demand schedule for his product. Elasticity of demand pertains to a given time, whereas advertising is a force dependent on the passage of time to work out. Since a survey of products, however, will show that a great many which may be classified as possessing elastic demand will also be found to be subject to an expansible demand, it would be well at this point to consider certain relationships between these two phenomena.

Frequently a product which will not respond readily to a decrease in price is one for which satiety sets in quickly; by definition, this is a product with an inelastic demand. If the product

panied by changes in buying habits, changes in methods of distribution, and utilization of intensive methods of sales promotion."

Also see Chap. I, "Consumption and the Standard of Living," by Leo Wolman. *Op. cit.*

³ A discussion of this term will be found in a commentary by Professor M. T. Copeland on the case of California Fruit Growers' Exchange, 3 H.B.R. 123 ff.

is one that is generally known and generally used, then it is likely to be subject to an inexpandible market demand; there is probably little opportunity for sellers to increase sales by attempting to intensify wants.

A product with an elastic aggregate demand is generally one which is already wanted by many individuals. Ordinarily, most individuals are not buying all of that product which they would were the price lower or were their purchasing power greater. Some individuals, not buying at existing levels, would purchase were prices to drop. The very fact that the product is wantable may mean that by advertising or other stimulation the want could be intensified to the extent that increased purchases would result without change of price; and when people can be induced to buy more of a thing without change in price, we say that it has an expandible demand. Moreover, there is always variation between the intensity of desire for any product on the part of different individuals, even though they have approximately the same income. The fact that some people have considerable want for a product gives evidence that others with less desire can be stimulated to greater use of the product, even though the large users may not readily be induced to buy more. Under such conditions, if there are enough individuals who can be stimulated to a greater use, then we may say that the product has an expandible aggregate demand. On the other hand, unless an appreciation of its utility has been impressed upon such users, a decrease in price may not have much effect in increasing demand among them.

Often a product with an elastic demand is one which can be put to several uses. The demand is elastic because a lower price would result in use of more of the product for purposes which at the higher price were below the marginal utility for many consumers. Now the suggestion of new or uncommon uses for a product is one of the chief means employed by manufacturers and groups of manufacturers to increase the demand for their types of product. We see examples of this type in the advertising of foods in which new recipes are given; in the advertising of soap in which other than ordinary uses of the product are described; in the advertising of greeting cards in which the desirability of sending cards on other than the more common occasions is held forth; and so we might go on with innumerable examples. There are always many individuals in the market who are not fully acquainted with

new soap

the numerous uses for a product or who are not convinced of the desirability of certain uses. If the new uses can be made sufficiently attractive, increased demand for the product will be created in time without change of price. Thus, we see that products which can be used for numerous purposes, some of which are not commonly employed, are likely to have both an elastic demand and an expansible demand.

On the other hand, even when a product does not have an elastic demand, it may have an expansible aggregate demand, provided that enough individuals who are not users of the product and who are not yet fully acquainted with it can be convinced of its desirability. This may well be the situation with a product new on the market. For example, mechanical refrigerators, when new on the market, were probably products with a relatively inelastic aggregate demand. They certainly have always had an inelastic demand as far as particular individuals are concerned. There is ordinarily no need for more than one refrigerator in a household. Although a considerable sum might be given for one refrigerator, a second or third would not be bought, even with a very material decrease in price. It is true that, after mechanical refrigerators had become accepted, reduction in price to a point within the range of what householders were willing to pay undoubtedly brought numerous purchasers on the market. For this reason, refrigerators might be said to have had responsive aggregate demand in recent years. Yet in the very early stages of the mechanical refrigerator, when the public was not convinced of the merits of the product, even a material drop in price probably would not have immediately effected a great increase in sales. At that time this commodity had a relatively inelastic demand. Promotional work over a period of time increased demand. I believe that tooth paste is a product for which at any particular time we should not expect any great responsiveness in demand to price decreases or increases; in other words, I should judge that it is a product of inelastic demand. The demand for the product is inelastic because its use depends upon established habits of personal cleanliness. If a person is accustomed to washing his teeth, the price changes which might occur in the customary price for tooth paste would not induce him to use much more or less of the product. A cheapening of the product would not be effective in starting a new habit of the washing of teeth among non-

users. Appeals on the ground of preservation of health and of personal beauty would, however, be effective in inducing such a habit. Through education in habits of cleanliness in our schools and in magazine and newspaper articles, and through the stimulus of advertising, this product has shown an expansible demand.

Thus a product with relatively an inelastic demand at a particular time may have an expansible demand, provided that there are enough individuals in the market not using it or caring for it who may be convinced of its desirability through aggressive selling methods. Continued promotion for such a product, aiming to make it desired by consumers, puts it in the class of products subject to an elastic demand. When it becomes widely desired, a drop in price becomes effective in bringing an increased number of buyers.

After a product has been subjected to a continuous program of advertising aimed to stimulate primary demand, it reaches the stage where further advertising is undoubtedly less effective than past advertising has been in bringing new users or increased demand by present users. Consumers have been subjected to the appeals for the product; new uses have been exploited; a point is reached where the return from increased advertising and promotional expenditures may not justify the expenditure of money and effort. In other words, there is a law of diminishing returns affecting such advertising expenditure. A product which has the characteristic of expansible demand tends to lose that characteristic to some degree after extensive and continued exploitation.

From the foregoing paragraphs we may conclude, then, that a product with expansible demand is one which is subject to increased purchase under one or more of the following conditions: (1) when individual consumers already using the product may be induced by some appeal to their buying motives to use more of it for the purposes to which they are already putting it; (2) when present users may be induced to buy more of the thing to apply to new uses as the result of some educative process or appeals to buying motives; (3) when potential buyers of a product, who formerly have not purchased, may be induced to buy when convinced of the desirability of the product through a stimulation of buying motives.

Lemons furnish an example of a product, the demand for which has been increased over a period of time by utilization of

all three of these means. The citrus growers of California in their advertising have sought to lead people to drink more lemonade, probably the most commonly accepted use for lemons; they have suggested for lemons numerous uses not so commonly adopted, such as their employment as an accessory for the toilet, as an aid in alleviating colds, and as a constituent for numerous recipes; both for the old and the new uses they have attempted to make consumers of those who were not consumers before.

I have spent so much time in defining and describing expansibility of demand because a determination of the degree of expansibility of demand for any product ordinarily is essential in estimating the likelihood of success of a cooperative promotional or advertising program on the part of a group of sellers. If increased purchases of a product can be induced only with difficulty, then it is probably not worth while to proceed on an expensive promotional program. On the other hand, if a latent want exists which can be stimulated, then advertising expenditure is likely to be worth while.

II Certain Basic Considerations in Appraising the Opportunity to Stimulate Primary Demand

Let us now consider what factors should be studied in order to determine whether a product has an expansible demand—whether it will be likely to respond to advertising and promotional stimulation.

Any program of selling and advertising to be effective must be planned with individual consumers in mind. It must be directed at those who can be induced to buy. The determination of the opportunity for expanding the demand for a product then comes down to the usual procedure of studying the product to find out what wants it may satisfy and how well it satisfies them; of estimating the force of the appeals which can be associated with the product in advertising and selling; of analyzing the market to determine, first, the number and character of present buyers and the extent and nature of their use of the product, and, second, the number of potential buyers as determined by their buying power and by buying habits and attitudes; and finally, of analyzing possible selling and promotional programs to determine whether plans of strategy may be fashioned which are likely to produce actual sales.

Let us turn first to the problem of studying the product to determine what wants it may satisfy. It is not within the compass of this Introduction to go into an analysis of the needs or wants of consumers. Numerous analyses have been made by economists, by psychologists, by philosophers, and by writers on business subjects. We shall let it suffice to stress the fact that the aggressive marketer must consider carefully the wants of the consumer which his product will fill. Such study provides the basis for determining the possible purchasers for his products and the appeals which can be made to stimulate desire for them.

The task is one not merely of determining the wants which a product may fill, but also of observing whether and how the particular wants which the seller's product can fill are being currently satisfied by the consumer. Ordinarily, several types of products are available for the fulfillment of a particular desire. Native wants are met in different ways. This fact is illustrated by several of the cases under consideration. For example, in the case of the Associated Salmon Packers,⁴ the desire to satisfy the taste, or appetite, was filled by numerous commodities; the housewife had available many foods with which she could make up the daily menu. Even if we narrow consideration to fish, we find plenty of substitutes for salmon. Or, if we turn to the case of the Silverware Association,⁵ we find that the complex of desires to be served by possession of sterling silverware could be filled with other types of products. For many people, plated silverware sufficed as well as sterling from the standpoint of satisfying the desire for implements with which to eat. If we turn to the more subtle desire for social prestige which possession of sterling could help to satisfy, we find again that consumers had numerous articles from which to choose in order to gain such social distinction as their incomes might allow them. In the case of the New England Gas Association,⁶ gas appliances had to compete quite directly with electrical and coal appliances designed for the same purposes.

Comparison with competing products filling the same or similar wants is, then, essential for manufacturers contemplating cooperative promotion of their products. They must ask them-

⁴ See page 27.

⁵ See page 44.

⁶ See page 190.

selves how well their product measures up in meeting the same or similar wants filled by other products. Unless a product compares well with products of another type in filling the wants of the consumer, it is working at a disadvantage.

Study of cooperative promotional efforts undertaken by manufacturers leads me to believe that frequently too much attention has been given to the attempt to find some advertising or promotional formula which would sell what the industry happened to be manufacturing, and too little attention has been given to merchandising study—that is, determining how the products of the industry should be changed to meet consumers' desires or what new uses might be found that could be exploited. Advertising which follows good merchandising achieves greater returns than does advertising attempting to sell a product which, for some reason or other, fails fully to meet the desires of consumers.

Those associations which have had a merchandising point of view and which have sought to mould their promotional efforts in accordance with their merchandising activities, appear to me to have adopted a basically sound viewpoint. The Portland Cement Association,⁷ for example, as will be noted in the cases included in this volume, has devoted considerable research to a study of the product to insure its satisfactoriness for the various purposes to which it is devoted. The executives have sought to make their findings known among contractors, architects, and builders. By studying the needs and wants of consumers, they have adapted members' products to meet those needs; hence, they have had a sound basis for carrying forward aggressive promotional work. Before embarking upon any program of promotion and advertising, however, the Portland Cement Association has made careful study of the opportunity for sale of cement for any particular purpose. Unless the field to be exploited has given sufficient promise of returns to justify a promotional expenditure, no efforts have been undertaken. In other words, in product study and in study of possible markets, the merchandising point of view has served as a guide.

Although its activities are not reported in this volume, the Cotton Textile Institute has itself given considerable study to and has secured study by governmental agencies of the characteristics

⁷ See pp. 140, 150, and 170.

of the products manufactured by its industry. Armed with this information, it has looked about for new uses to which cotton textiles might be put to good advantage. It has sought to aid its members in designing their products to meet consumers' needs and desires; for products subject to fashion demand it has attempted to guide its members to better styling. By such means an industry that has failed to hold its place in inter-industry competition may hope to reestablish itself.

Closely associated with, or actually a part of, the study of wants which a product may satisfy is the determination of appeals to buying motives for stimulating desire for it. A study of the needs or wants filled by a product acts as a guide to the appeals that can be presented to make the product wanted. The force of the appeals that can be associated with a product must be estimated. It is not enough to say that a product under consideration appeals to some basic want or desire of the consumer and that such a want is a strong one. It is necessary always to think of appeal to a buying motive as associated with a particular product in competition with the same appeal associated with other products or, as a matter of fact, in competition with the numerous other desires of the individual which a limited income can probably satisfy only in part. The sellers, then, must ask themselves how dynamic or forceful are their appeals when related to the product which they sell.

Too frequently, cooperative advertising programs among competitors have at the core of their copy approach an abstract idea that is not likely to take hold of a consumer and lead him to purchase. For example, the retail jewelers carried on a rather extensive campaign trying to induce people to "buy gifts that last." I question whether such an abstraction is likely to be effective. Certainly it lacks the force of an appeal centered around specific merchandise, the possession or use of which can be made to appear desirable, as illustrated in the case of the Associated Salmon Packers,⁸ where recipes for the use of salmon were given and where specific appeals to buying motives of some consequence—such as satisfaction of the appetite, maintenance of health, and freedom from labor in preparation of daily meals—were closely associated with the product.

⁸ See page 27.

To sum up, in this day of aggressive selling in which the consumer is being showered with appeals to buy this and that, a group considering cooperative advertising must carefully analyze the force of its appeals as associated with its product in competition with the same or other appeals associated with other products.

Let us turn next to the problem of estimating existing and potential markets.

The study of the wants which a product can fill and of the appeals which can be made to increase its use is one step in the process of estimating the size of the market that can be stimulated for a product. At the start, however, it is essential to determine as closely as possible the number of current users of a product and the extent of their current use. Likewise, an estimate must be made of the probable number of non-users who might be induced to buy. Such a study can rely on statistics in part, but in large degree it must depend on estimates and judgments. The study of the number of present users and the extent of their use can be learned to some extent through an analysis of market and sales data or through field investigation.⁹ Judgments and estimates of the opportunity of stimulating increased use will turn upon a study of the groups of individuals themselves. Their wants and the force of appeals to stimulate these wants have already been touched upon. We shall, however, give thought to two further topics which bear on willingness to buy or resistance to buying: (1) the effect of fashion trends, technical developments, or changes in living habits or living customs as they may affect the opportunity of increasing demand for a product; and (2) the effect of buying power of individuals or groups of individuals in its relation to an increase in demand.

Fashion trends, new habits or customs, technical developments, or any unusual circumstances may operate for or against the purchase of any product to be advertised and promoted. That "it is much easier to go with the tide than against it" can be stated as a maxim governing promotional effort. Advertising which attempts to overcome a fashion trend may well be doomed

⁹ It is not within the scope of this Introduction to enter into a discussion of methods of gathering information, but rather to point out the important lines of inquiry to follow up in estimating the advertising or promotional opportunity for stimulating primary demand for a product. The cases in this volume give illustrations of the collection of market and sales data to guide in determination of promotional programs.

to failure. If a fashion trend is away from the product, then it becomes especially necessary to estimate the amount of resistance to be overcome and to determine whether there is any possibility of overcoming it without excessive expenditure. The cases which follow serve well to illustrate some of the considerations and analyses which must be undertaken. Since the volume of sales of greeting cards has increased materially during the period of advertising, the advertising of the Greeting Card Association¹⁰ is generally considered to have been successful. Greeting card manufacturers were wise and fortunate in banding together during the World War to take concerted action against publicity which was threatening to create a prejudice against their product. Certain magazine editors were advocating the discontinuance of sending greeting cards as a measure of conservation. The Association of Greeting Card Manufacturers, however, was successful in establishing the idea that greeting cards were conducive both to the maintaining of morale at home and to the cheering of men in service. In the subsequent years, the industry was fortunate to be operating with a fashion trend rather than against it, for the sending of greeting cards did become a fashion. Undoubtedly the advertising which was carried on helped to stimulate the custom, but the mere fact that the sending of greeting cards became "the thing to do" among a large number of the populace could not be attributed entirely to advertising. The growing custom served to give to the advertising an appearance of success, entire responsibility for which it certainly could not claim. The situation merely illustrates the fact that advertising is likely to appear much more successful when it is operating with a fashion trend rather than against it.

The case of the Irish and Scottish Linen Damask Guild¹¹ likewise serves to illustrate the point I have in mind. Damask linen had suffered in demand because the use of small colored linen pieces on the table had become the fashion. If the Irish and Scottish Linen Guild had used advertising to attempt to overcome this fashion when it was bowling along merrily, it is questionable whether their advertising would have been successful. They entered upon their advertising, however, when the fashion for the smaller linen pieces had run a good part of its course, and when

¹⁰ See page 69.

¹¹ See page 94.

there was likelihood that linen and damask were coming back into fashion. Under these circumstances, their advertising and promotion had a chance to be effective.

The case of the National Shoe Retailers' Association¹² describes the possible causes of a decreased consumption of shoes subsequent to 1910, among which were the advent of the automobile and the fashion of wearing low shoes throughout the year, with consequent necessity for fewer pairs in the average wardrobe. The wants of individuals arise from their activities; when their activities change, the demand for certain products is likely to suffer, while that for other products increases. The factors which operated against a large per capita consumption of shoes by men were still in existence when the National Shoe Retailers' Association and other factors in the shoe industry banded together to try to make men "shoe conscious." The success of the advertising and promotional campaign depended upon whether the appeals, which were adopted to induce men to include a large number of shoes in their wardrobe by educating them to a proper appreciation of shoes, were sufficient to overcome the resistances brought about by existing living conditions. The decreased wearage on shoes continued, as did the fashion of low shoes. The appeals made were abstractions; appeals to other wants were being showered upon men; there was no material increase in buying power. Under these conditions, the appeals apparently were not forceful enough to be effective.

The case of the New England Gas Association,¹³ which strove to persuade people to use new gas appliances, as well as to use to a greater degree the appliances already in their possession, involved a study of the effect of both changed living conditions and technical developments. Substitutes for gas had been pressing in. The development of electrical appliances and the reduction of electric rates had necessitated a careful study by the gas industry of the suitability of their products in competition with electricity. In addition, smaller families and increased apartment-house living had operated against increased use of various types of fuel by the housewife. In this case, then, it was essential for the gas industry to study its technical developments in relation to those of competing industries filling the same wants. It was necessary,

¹² See page 105.

¹³ See page 190.

further, to determine the strength of the buying motives to which appeal might be made to lead housewives, in spite of the prevalence of smaller families and smaller homes, to use more gas.

Another illustration of technical developments and of their effect on industries competing for the same want is illustrated in the cases of the Portland Cement Association.¹⁴ Development of quick-setting cement has put cement manufacturers in a better position to compete for city paving. A technical development within the industry in this instance reduced selling resistance for the product and made more effective the Association's promotional work for city paving.

In summary, then, it is essential for a group of sellers, if they are to get a satisfactory estimate of the likelihood of success in promotional or advertising efforts which they may undertake, to ascertain with exactitude the existence of all fashion trends, changed living conditions, or technical developments or unusual circumstances of any kind which operate for or against acceptance of their product on the part of consumers.

If we revert to technical economic phraseology, fashion trends or changes in living habits are forces in themselves tending to create new demand curves on either a higher or a lower plane. If they operate in such a manner as to place the demand curve on a lower plane, then the resistance which sellers have to meet is increased and any appeals they make are likely to be ineffective. They may, of course, simply aim to counteract the forces which are operating against them. On the other hand, if the fashion force or that coming from changed living habits is operating in their favor, then by intelligent promotion sellers may be able even to heighten the desires already tending in their favor.

Let us consider now the effect of the buying power of individuals or groups of individuals in its relation to stimulation of increased demand for a product. Unless the buying power of consumers becomes greater during a period of advertising or promotion, inducement of increased purchases is likely to have to take place through displacement of purchases of other products. A product with high initial price will meet with relatively high resistance to purchase, especially among people with low or moderate income, unless it fills a need of some consequence and

¹⁴ See pp. 140, 150, and 170.

makes especially strong appeals. It is necessary always, as we have stated before, to relate price to purchasing power, importance of need, and strength of appeal. For a product of low price, even people of small means may be induced to buy if the commodity can be made attractive enough through advertising, because such a product will take relatively a small part of their incomes. Conversely, a product with high price will mean so much in the way of sacrifice of satisfactions given by other products that resistance to purchase will be great. These thoughts are illustrated in the cases of this volume. For example, the Silverware Association¹⁵ made a classification of groups in the market with varying purchasing power and then attempted to estimate its opportunities in each group. The best opportunity lay among the two higher income groups. The sum of money involved in purchase of sterling silverware necessarily meant a limited market in the lower income groups. Study of the strength of appeals was thought of, then, primarily as related to the higher income groups where the resistance to price was not so great. Again, the New England Gas Association,¹⁶ in presenting the desirability of different gas appliances in the household, realized the difficulty of stimulating a demand for the higher-priced appliances and accordingly centered promotion largely on appliances of low price. On the other hand, the Associated Salmon Packers¹⁷ had a low-cost product within the range of even those of smallest means. The resistance from price was small, and accordingly the appeals loomed relatively important as related to price. Somewhat the same situation is true in the case of the Greeting Card Association.¹⁸ The cost of greeting cards is relatively small. The expenditure involved may well seem to a large number of people relatively unimportant as compared with the pleasure obtained from sending greetings to their friends.

In summary, in estimating their opportunity for creating new demand curves for their products, it is essential for sellers to relate the force of their appeals to the importance of the purchase price of their product among various income groups. By this means they can determine with what groups of individuals and among

¹⁵ See page 44.

¹⁶ See page 190.

¹⁷ See page 27.

¹⁸ See page 69.

how great a number they are likely to have a chance of making their appeals effective.

In discussing the factors to be considered when estimating opportunities of creating new demand curves for products, we must not think solely in terms of space advertising as the means of stimulating consumers. Advertising is only one of the forces operating in present aggressive marketing and frequently it is a much less important factor in consummating sales than other methods of selling. The cases that follow illustrate the necessity, when attempting to induce increased demand, of thinking in terms not merely of advertising but also of the whole marketing process. For example, it is clearly brought out that the programs for increasing sales for sterling silver, for greeting cards, for damask linen, and for shoes were directed largely to securing better display and personal selling on the part of the retailers in the field. It is unnecessary to enlarge upon this subject. We may consider all the methods used to induce sales as contributing to the effort of creating new demand curves for commodities. When studying wants and appeals and the resistances to purchase to be overcome, action must be translated into programs of marketing strategy. The method which will be most likely to stimulate sale is the one to be sought.

If an aggressive program of advertising and other sales effort is to be undertaken, its probable cost must be measured against the returns that are likely to accrue. I have suggested some of the most important factors to be taken into consideration in estimating the probable resistances that will be met and the extent of increase in demand that might be developed by a program of aggressive promotion. The probable cost of advertising and selling efforts can be estimated fairly accurately; the probable results are likely to be judged only with uncertainty in our present lack of knowledge of the working of advertising and sales promotion. Some sort of judgment must be arrived at, however, to determine whether the advertising and promotional expenditure is likely to be justified by the results to be attained.

At the start of this Introduction, I drew a distinction between primary and selective demand, that is, demand for a type of product as contrasted with demand as related to sources of supply or brands. From the standpoint of economic discussion, it is difficult at times to determine whether a particular product should

be placed in the same category as another product. For example, the American Leather Producers, Inc.,¹⁹ carried on a program of advertising in an attempt to induce people to insist on leather and to spurn leather substitutes. True, these two products are manufactured by different industries, yet they fill the same need. Likewise the engraving trade considered substitutes for copper and steel engraving as different entities belonging to another trade. The New England Gas Association,²⁰ in attempting to get people to use gas in place of electricity or other types of fuel, looked upon electricity and other fuels as belonging to other industries. We speak of the gas industry as contrasted with the electrical industry, yet gas and electricity to a large extent fill the same needs. The economist, when studying demand, might place these products in each instance in the same category. He probably would not differentiate them according to the classifications of the industrial firms which produce them. In business life, however, trade associations conducting promotional work are ordinarily limited to narrower industrial groups, and it is natural that they should be thus limited. We must recognize that the attempt on the part of various groups to displace other groups is often as truly combative selling as is that of a firm which tries to secure a greater following for its brand than is secured by a competitor selling the same type of product. All advertising is in some degree competitive. There has been a tendency on the part of some economists to distinguish between *constructive* advertising and *combative* advertising and to look upon the former as more desirable than the latter, because combative advertising frequently involves social waste. When we begin to study carefully the nature of cooperative advertising, we must conclude that much of it is as truly combative as is the advertising of brands. After all, if different types of products fill the same wants of consumers, it is often difficult to draw a distinction between advertising which seeks to displace one type of product with another filling the same or similar wants, and advertising which merely combats other brands.

Every manufacturer, under our capitalistic economy, is attempting to keep the wheels of his factory operating so that he can make a profit. It behooves him to think of stimulating both

¹⁹ See page 305.

²⁰ See page 190.

primary and selective demand. If his main competition is coming from sellers of another type of product, then the solution of his problem may well rest in combining with competitors manufacturing his type of product in order to struggle with his real competition, that from other types of products. In so doing, however, he should carefully appraise the opportunity to stimulate primary demand.

III Certain Problems Involved in the Conduct of Cooperative Promotional Programs

In addition to the problem of appraising the opportunity to stimulate primary demand through cooperative promotional and advertising efforts, with which topic I have already dealt, there are illustrated in the cases in this volume numerous practical difficulties met in initiating and conducting cooperative programs.

Most of the problems to be met arise out of the difficulties of securing whole-hearted and effective cooperation from a number of firms whose principals frequently are highly individualistic and often inexperienced in sales promotion and advertising. A cooperative campaign assumes a general sharing of the burden among these competitors in working for the common good of stimulating a primary demand for the products which they manufacture. Yet, to secure unity of purpose and unity of effort among a diverse group is under almost all conditions a difficult thing to do. To maintain support and interest is sometimes harder than to initiate a program; it calls for sound management and convincing leadership.

A study of the cases of this volume, as well as perusal of the advertising efforts of numerous other associations whose activities are not here dealt with, indicates that the securing and maintaining of financial support over any period of time is achieved infrequently. Some cooperative advertising programs have endured for years; others have petered out after a relatively short period. The causes of early demise are varied. In some cases cessation has been due to ill-conceived programs or ineffective coordination of selling efforts on the part of the individual companies with the association programs. In many instances the cooperators have lost interest because of inability to discern measurable results, a common difficulty in advertising work. Sometimes high-pressure money-raising campaigns at the inception

of a cooperative effort have brought together half-hearted supporters. In other instances sufficient funds have not been forthcoming to support the advertising and promotion on a scale necessary to produce effective results; again, mismanagement and dissipation of such funds as were available have led to the withdrawal of further support.

Conversely, those programs ordinarily have continued in which a sound appraisal of opportunities has been made and in which programs have been so designed that cooperators have felt their contributions to be productive of satisfactory results. Accompanying such effort have been sound management, wise planning, and a leadership which has induced contributors to do their part.

Study of the cases in this volume will show that the programs most successful in maintaining support are those which have set up plans of advertising and personal promotion designed to produce fairly immediate and discernible results. Whenever an association embarks upon a program of long-time educational effort without having taken measures to induce immediate response, loss of interest on the part of contributors may well be the outcome.

It is true, of course, that in many cases advertising and promotion to stimulate primary demand may be expected to require a considerable lapse of time before a substantial increase in demand is felt. Realizing the need for support over a period of years, and realizing as well the difficulties of maintaining active interest when results at first might not be readily apparent, many promoters of cooperative efforts have resorted to the plan of inducing individual firms to make long-term commitments, usually putting these in the form of trade acceptances to be collected at intervals over a period of three or more years. Such a scheme eliminates the expense of securing subsequent pledges and promises a fair trial period for the promotional program. Frequently, however, firms, especially small manufacturers or retailers inexperienced in advertising, have been induced to enter upon such commitments through the arousal of great expectations from the cooperative effort. The dangers which seem to me to attend such a practice have been pointed out in several of the commentaries. When the expected results do not occur, disappointment and disgruntlement appear. If the commitments are not repudiated, at most a half-hearted cooperation is the result; as will be pointed out

later, lack of full cooperation is likely to result in ineffectiveness of the advertising and promotional effort.

Numerous schemes have been worked out for the assessment, collection, and disbursement of funds. Each situation is likely to present peculiar problems in these regards. Inasmuch as the cases describe in greater or less degree the problems met and the plans that have been adopted, I shall not attempt to enter upon a discussion of these points in this place. I wish, however, to mention one practice which has not been uncommon in securing pledges and which seems to me open to condemnation; namely, the practice sometimes followed of permitting an outside promoter to undertake this task. While such a scheme at times may be justifiable, too frequently it has resulted in an overselling of the cooperative plan and in excessive costs of administration. Not only have such promoters been given a considerable percentage of contributions in return for their efforts in securing cooperators, but in numerous instances they have secured as well commissions upon expenditures. Often, excessive amounts of all funds received have been absorbed in management and too little has gone into actual advertising and promotional work. Undoubtedly the promoters have worked hard for such money as they have received; if a cooperative program can be launched only as the result of high-pressure methods on the part of an organization outside the association, however, I doubt whether it should be undertaken.

One of the greatest causes of ineffectiveness of cooperative promotional and advertising programs lies in the difficulty of securing effective coordination between the selling and advertising activities of the individual companies and the association activities. It is unnecessary here more than to mention the importance of planning and carrying through a fully coordinated program of advertising and selling efforts. In several of the commentaries I have dealt with the topic at considerable length. If, when an association launches an advertising program of merely an educational sort, cooperating firms sit back and expect wonders from it, they are doomed to disappointment. When an individual company undertakes advertising, it expects the advertising to be merely a part of a complete program of selling and promotional strategy. Not advertising alone, but a coordinated program of selling efforts, produces results. If each part of a selling campaign is not carefully thought out in relation to other

parts, ineffectiveness is likely to be the outcome. Too frequently, cooperative programs have not been carefully enough devised with the ultimate objective of sales in mind. And, often, even a well-constructed plan has fallen through because of the failure of the cooperating firms properly to do their part. Such effectiveness as some association campaigns have attained, as in the case of the American Paint and Varnish Manufacturers Association, seems to me to have come not so much from the advertising by the association as from the stimulation of more aggressive selling by all factors in the industry. The maintenance of active interest and cooperation is essential.

At this point I might stress again the importance of an association's fashioning its activities to meet the problems faced by its industry. If merchandise study is essential, as in the case of the Portland Cement Association, the association should carry on a merchandising study. If price structures are a great hindrance to sales, as was true in the case of the New England Gas Association, an attack on the price problem should be carried on. Advertising and sales promotion are not things apart; they should not be expected to accomplish great results when conditions within the industry create excessive resistance.

An attempt to introduce new habits of thought and of purchasing among consumers may prove costly if carried on through paid space alone. The considerable part which free publicity may play in cooperative programs is illustrated in several of the cases that follow.

N. H. B.

ASSOCIATED SALMON PACKERS

TRADE ASSOCIATION—SALMON

COOPERATIVE ADVERTISING—*To Promote Immediate Sales of Product with Large Surplus Stocks.* Because of low market prices for pink and chum canned salmon on January 1, 1926, a large carryover of stocks from the previous packing season in the hands of packers, caused in part by an increase in foreign competition, and an anticipated large pack during the coming summer packing season, an association of salmon packers in the United States and Alaska planned a cooperative advertising campaign during March, April, May, and June, 1926, to increase the immediate domestic consumption of salmon. The advertising, which was carried on in newspapers, supplemented by advertising in general magazines and farm journals and by displays, posters, and dealer helps in stores, was considered successful in that sales of the first six months of 1926 were greater than during any previous six months' period. In view of these results, the association decided to continue the advertising.

CONSUMER DEMAND—*Expansibility of, as Factor in Cooperative Advertising—(Commentary).* The commentator points out that the question confronting an association of salmon packers, in considering an advertising campaign to stimulate immediate sales of salmon, was whether the product was one of readily expansible demand. Factors in the situation implying the possibility of a quick expansion of demand through advertising were: that salmon meets a universal need; that at the time of the proposed campaign the chance of stimulating this need into an active want was heightened by the Lenten season; that the unit price was low; and that there were several fairly strong buying motives to which appeal might be made.

(1926)

On January 1, 1926, the prevailing wholesale market prices of pink and chum (light-colored) canned salmon were below the cost of production for some canneries; large stocks were held by the packers in the United States and Alaska, who sold principally in the domestic market, and a large pack was anticipated during the coming summer packing season. In view of this situation, which was more serious than but not unlike that of previous years, an advertising counsel suggested to several of the leading packers that they meet in Seattle to discuss the marketing problems of the

industry. As a result of the meeting these packers, who controlled a majority of the stocks, or so-called "carry-over," of pink and chum salmon, formed the Associated Salmon Packers, an unincorporated association. The management of the Association was vested in the Advertising Committee, composed of three of the leading packers. Immediately after the formation of the Association, plans were made for a cooperative advertising campaign to be carried on with the assistance of the advertising agency, Strang and Prosser of Seattle, Washington.

Salmon packing was the world's largest sea-food packing industry. Canned salmon was an important food in the United States, England, Continental Europe, and tropical countries. Five varieties of salmon were canned: King, or Chinook; Red, or Sockeye; Coho, or Silver; Pink; and Chum. The first three species generally had a red flesh, the fourth pink, and the fifth lighter-colored flesh. A distinguishing characteristic of these five species was that they spawned in fresh water, but spent most of their life in the ocean; they returned on maturity to spawn and die in the lakes or rivers where they had been hatched. For food purposes they were, in general, at their best about the time of leaving the sea. The salmon returned in two, three, four, or five years, according to the species, after having gone downstream. Their return or "run," as it was called, could be forecast in a general way. During the run the government supervised the catching of the salmon and allowed enough to escape to safeguard the future supply. Since the different varieties of salmon often frequented different fishing districts, the major portion of each cannery's pack usually was either red or pink salmon; chums were packed to a large extent in the pink-salmon canneries.

Canneries situated on the coast line of the Pacific Ocean produced most of the world's supply of salmon. The North American canneries were scattered along the shore line between northern California and the northwestern part of Alaska where the Bering Sea touches that Territory of the United States. The principal salmon canning center on the Asiatic side of the Pacific Ocean was the Ohkotsk Sea and Kemchatka Peninsula region of northern Siberia, although some operations were carried on as far south as northern Japan. Exhibit 1 gives the canned salmon production by Pacific canneries for several years. The salmon canned by United States and Alaskan companies in 1925 was valued

at approximately \$47,370,000 by the United States Bureau of Fisheries.¹

EXHIBIT I
PRODUCTION OF CANNED SALMON IN PACIFIC WATERS*
(Unit = 1,000 cases)

Year	Total N. A. Pacific Coast	Puget Sound	Columbia River	Alaska	Other U. S. Pacific Coast	British Columbia	Japan and Siberia	Total
1920	6,324	167	482	4,429	58	1,188	620	6,944
1921	4,226	653	323	2,605	41	604	713	4,939
1922	6,522	249	392	4,501	89	1,290	718	7,240
1923	7,753	758	481	5,063	109	1,342	704	8,457
1924	7,991	318	501	5,306	121	1,745	809	8,800
1925	7,731	912	540	4,451	131	1,697	677	8,408

* 1927 Statistical Number of the *Pacific Fisherman*.

In the United States and Alaska, there were in 1925 about 80 companies operating salmon canneries.² The production of about 40 of these companies was chiefly pink and chum salmon, although approximately 25% of these companies packed red salmon in appreciable quantities. Although most of the packers had their own warehouses, public warehouses at Seattle, Bellingham, and San Francisco were also used extensively. Seattle was the principal distributing point for pink salmon, which was normally about 44% of the total United States and Alaskan pack. The canneries operated by the 80 companies were located as follows: 2 in California, 18 in Oregon, 31 in Washington, and 132 in Alaska. Some of the companies operated canneries in British Columbia also, but the pack of these canneries was marketed in the same way that resident Canadian packers sold their salmon. There was a 25% ad valorem duty on salmon imported into the United States. The pack of American-owned canneries in Canada was not included in the United States statistics of the industry.

Some of the packs were sold under packers' brands and some under wholesalers' brands. Generally canned salmon was sold by the packers through brokers who sold on a 5% commission to wholesale grocers. The brokers, inasmuch as they were principally

¹ *Statistical Abstract of the United States*, 1925, "Canned Salmon Output of United States and Alaska," p. 700.

² *Pacific Fisherman Yearbook for 1926*.

interested in making sales, sometimes urged the packers to reduce their prices. Many of the smaller packers and those poorly financed often followed this suggestion, even though the price allowed little or no profit, because they wanted to liquidate their investment and avoid the expense of warehousing the goods. Unlike the packers of fruits and vegetables, salmon packers seldom sold futures.

EXHIBIT 2
CANNED SALMON EXPORTS FROM UNITED STATES, 1920-1927*

Year	Pounds	Value
1920	39,107,286	\$8,509,146
1921	47,476,933	7,798,347
1922	65,502,153	8,341,639
1923	59,594,422	9,154,711
1924	67,013,369	9,667,126
1925	54,046,283	8,864,993
1926	47,623,289	9,464,652
1927	52,112,794	8,218,292

* *Pacific Fisherman*, January, 1928, p. 125.

Exhibit 2 summarizes the export canned salmon trade during the five years previous to January, 1926, when the marketing problem arose for consideration. During these years, the exports of salmon canned by United States companies averaged nearly 20% of the production. These exports went principally to the United Kingdom, the Philippine Islands, and Australia.

Exports, however, did not increase so rapidly as did the production of canned salmon. Exhibit 3 shows the large carryover of canned salmon which was unsold at the end of each year. Many packers, furthermore, had endeavored to move their stocks by lowering prices, thereby forcing their companies into serious difficulties.

The resistance of the foreign markets was attributed to three developments in the salmon trade: (1) increased exports of sardines by California canneries; (2) increased consumption of Canadian packed salmon by the British possessions and France; and (3) increased competition in British markets from low-cost Siberian producers. Political, tariff, and transportation conditions having made sardines relatively inexpensive, California canneries

had increased their exports to meet the growing foreign demand. The increased consumption of Canadian packed salmon by the British possessions and France was due, in part, to the fact that in 1923 the Canadian packers had carried on a particularly successful campaign for the extension of their markets. Furthermore, more than two-thirds of the Canadian exports of canned salmon in 1925 went to France, where Canadian salmon was admitted at one-half the duty paid on United States salmon because of the higher duties on French exports charged by the United States than by Canada. The increased competition in British markets was caused by the Siberian producers, who were able to undersell the Canadian and United States pack because Siberian labor was inexpensive and the canneries were operated practically without governmental fishing restrictions.

EXHIBIT 3

COMPARISON OF PACK AND CARRYOVER OF AMERICAN CANNED SALMON,
1923-1927*

Year	Pack	Carryover on January 1 of Ensuing Year
1923	6,411,757	2,031,694
1924	6,245,320	1,617,200
1925	6,034,321	1,743,680
1926	7,491,684	2,009,379†
1927	5,053,472	1,184,742†

* *Pacific Fisherman*, January, 1928, p. 110-111. Figures designated "carryover" represent unsold stocks of salmon packed in the United States and Alaska.

† Figures not complete.

This increase in foreign competition contributed to the increasingly large carryover of canned salmon in the United States. Since it was unlikely that the yearly surplus pack could be disposed of in foreign markets, the salmon packers in the United States were forced, therefore, to consider the possibilities of increasing the domestic consumption of salmon.

The packers of red salmon, believing they were not faced with the same difficulties under which the packers of pink and chum salmon labored, took no part in the cooperative advertising plans which were made. Red fleshed salmon had been the first to be canned and had acquired prestige among housewives primarily

because of its bright red color. Its nutritive value was not much greater than that of pink and chum salmon, nor was its flavor demonstrably superior. Because of the prestige of their product, however, packers of red salmon were able to sell their product readily and at considerably higher prices³ than were obtained by companies selling pink or chum salmon. The Alaska Red salmon canned in the United States in 1925 comprised 1,065,290 cases,⁴ or 17.6% of the total United States salmon pack of 6,034,321 cases. In 1924 the Alaska Red salmon pack was 19% of the total United States salmon pack, and in 1923 it was 29% of the total pack.

The marketing problem which faced the pink and chum salmon packers was indicated by the amount of carryover on January 1, 1926. At that time, the packers' inventories of pink and chum salmon reached approximately 1,500,000 cases.⁵ This was the highest carryover on record, although for several years it had been over 1,000,000 cases. Sales of these varieties of salmon in 1925 had been 3,700,000 cases as compared with a production of 3,870,000 cases in that year and a carryover on January 1, 1925, of 1,340,000 cases. Moreover, it was considered imperative that this large 1926 carryover be sold before August, when it was anticipated that a large pack would come onto the market.

In attempting to correct the carryover conditions, the Associated Salmon Packers decided to conduct an advertising campaign experimentally in the United States during March, April, May, and June of 1926.

In 1921 a cooperative advertising campaign on pink and chum salmon had been carried on in two midwestern cities and one

³ OPENING PRICES OF CANNED SALMON, 1920-1927*
(in dollars)

	1920	1921	1922	1923	1924	1925	1926	1927
Chinook—Fancy.....	3.90	3.15	3.40	4.00	3.55	3.50	3.95	3.95
King.....	3.00	1.75	1.75	2.00	2.10-2.15	3.00-3.25	2.25	2.65-2.85
Alaska Red.....	3.25	2.35	2.25	2.25	2.25-2.50	3.50	2.50	3.10
Medium Red or Coho...	2.00	1.50	1.25	1.40	1.50-1.75	2.50-2.75	2.25	2.25-2.50
Pink.....	1.50	1.10	1.15	1.25	1.25-1.35	1.25-1.45	1.35	1.35-1.50
Chum.....	1.15	1.00	1.05	1.20	1.20	1.10-1.15	1.25	1.30-1.35

* *Pacific Fisherman*, January, 1928, p. 112. All quotations are on basis of one dozen cans of "talls."

⁴ *Pacific Fisherman*, January, 1928, p. 110.

⁵ *Pacific Fisherman*, January, 1928, p. 110.

southern city of the Educational Division of the Association of Pacific Fisheries, in which over \$30,000 had been spent. Newspapers and posters were used and several hundred thousand recipe books entitled "Forty New Ways to Serve Salmon" were printed for consumer distribution. Supported by only 10 or 12 pink and chum packers, it was a relatively small campaign which had not aroused the interest of the whole industry.

An advertising appropriation of \$200,000 was voted by the association to be raised by assessing each member 20 cents for each case on hand. This assessment represented 3.75% of the current wholesale price of pink salmon. The membership of this group at that time included a minority of the United States and Alaskan packers of pink and chum salmon, but the members were confident that the other packers of these varieties would join the association after the advertising program had started. Since the assessment on the stocks of members was not sufficient to produce the appropriation, three of the leading packers guaranteed the unsubscribed portion of the appropriation, believing that enough new members could be secured to provide for the part of the appropriation which they were underwriting.

The advertising agency employed immediately planned a campaign designed to establish the high food value of pink salmon with the American public. The agency further recommended that specific sales arguments should be used rather than the "eat more salmon" type of copy; that the nutritive value of pink and chum salmon should be stressed without calling undue attention to color; that recipes should be featured showing the many delicious dishes that could be prepared from pink and chum salmon; that the comparatively low prices of pink and chum salmon should not be stressed; and that in order to reach the market quickly, during the Lenten season, newspapers should be used, supplemented by magazine advertising which would serve as a background for the newspaper campaign and as a means of reaching semirural communities. Agricultural publications were suggested also to make the coverage complete.

These recommendations of the advertising agency were approved by the Associated Salmon Packers on March 1, 1926. On March 11, full-page advertisements appeared in leading newspapers in 45 eastern and middlewestern cities which were regarded as good markets for canned salmon. With each of the newspapers

used, the agency contracted for 10,000 agate lines. After the opening of the campaign, full-page advertisements and smaller advertisements of various sizes were inserted weekly on the pages used for advertising food products.

The full-page insertions, one of which is reproduced in Exhibit 4, described the salmon as the "King of Food Fish." Recipes were given in the advertisements and a can of pink salmon was displayed prominently, but without a packer's name. In the extreme left-hand column of the advertisements a prize contest was announced. One thousand dollars, in fifty prizes, was offered for the best recipes submitted before August 31, 1926. The contestants were required to submit recipes which they had served, with the cost of the ingredients, and also to send in the labels from the cans of salmon used in preparing the dishes. There were two reasons for asking for the labels: to encourage the purchase of salmon and to learn which brands were favored. The newspaper advertisements which followed the full-page insertions featured a free recipe book, called "Forty New Ways to Serve Salmon," published in 1921 in the first salmon advertising campaign and a bulletin of the United States Department of Commerce on the food value of pink and chum salmon. One of these advertisements is shown in Exhibit 5.

As soon as possible after March 1, the agency inserted advertisements in nine general and small town magazines and in ten farm journals. Exhibit 6 shows one of the advertisements used in the latter. With the exception of one full page, these advertisements were either half-page or two-thirds of a page. Some of the advertisements were in color. They had the same general characteristics as the newspaper insertions. The periodicals used were:

GENERAL MAGAZINES

Good Housekeeping
People's Home Journal
Modern Priscilla
Ladies' Home Journal
Delineator
People's Popular Monthly
Household Magazine
Designer
McCall's Magazine

FARM JOURNALS

Wisconsin Farmer
Svenska Amerikanaren
Successful Farming
Missouri Ruralist
Farmer's Life
Iowa Homestead
Decorah Posten
Farm Journal
Grit
Progressive Farmer

Just prior to the appearance of the advertisements, brokers, wholesalers, and retailers selling salmon were notified of the impending campaign by telegrams and air-mail letters.

Rich in Food Values~

"Canned SALMON has an energy value equal to the popular hearty foods such as veal, milk, sirloin steak and baked beans."

—U. S. Bureau of Fisheries (Dept. of Commerce) Document No. 1000

CANNED PINK SALMON

"King of Food Fish"

"SALMON is the most important sea food canned. . . . The protein percentage makes it valuable", states this government bulletin. Canned Pink SALMON is available for shipment into any part of the world and can be enjoyed by people where fresh fish are not available. As the cooking has already been done the product can be eaten cold, as a salad, if desired. Canned Pink SALMON provides the essential food stuff—protein—at a REASONABLE COST.

For a really delicious treat, try Canned Pink SALMON piping hot in a creamed, baked or escalloped dish. Ask your nearest good grocer to send you a few cans at once. ALL GOODNESS—NO WASTE!

ASSOCIATED SALMON PACKERS
2500 L. C. Smith Building • Seattle, Wash.

Send for FREE Government Bulletin containing Canned Pink SALMON Recipes:

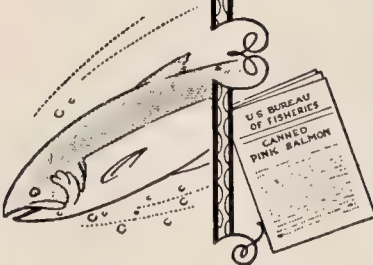
ASSOCIATED SALMON PACKERS,
2500 L. C. Smith Bldg.,
Seattle, Wash.

Send FREE U. S. Dept. of Commerce Economic Circular No. 48, containing 44 TESTED RECIPES on Canned Pink SALMON, and information on the high food value and beneficial iodine content of the "King of Food Fish."

Name.....

Address.....

Ask for Any Brand of PINK SALMON, but be sure it says PINK on the label.



TRY PINK SALMON CAKES:

Add one pint of mashed potatoes to one can of PINK SALMON, then add one beaten egg, one tablespoon melted butter, salt and pepper to taste. (If too dry add a little milk.) Form into small flat cakes, place in buttered pan, and brown in hot oven.

Exhibit 5: Sample newspaper advertisement used by Associated Salmon Packers.

\$1000 IN PRIZES



TRY THIS FOR DINNER:

SCALLOPED SALMON—1 lb. can Pink SALMON, $\frac{1}{2}$ cup bread crumbs, 1 tbsp. butter, 1 tbsp. flour, 1 pt. milk, salt, pepper, paprika. Melt butter, add flour, stir until mixed. Remove from fire—add milk. Heat and thicken, add seasonings. Butter baking dish, add layer bread crumbs, then one of Salmon, until filled. Cover with dressing. Top with crumbs and butter. Bake 20 minutes.

CANNED PINK SALMON

"King of Food Fish"

Sustains and Satisfies Hearty Appetites

OUT-DOOR LIFE and work create the demand for "fuel" food three times a day. Women who enjoy planning substantial meals are depending more and more on canned Pink SALMON. Always in Season; Always Convenient. Higher in protein or muscle and tissue building than meat at MUCH LESS COST!

It can be served in countless savory ways. Salmon on toast or creamed starts the day right with good, rich sea food. At noon, a tempting dish of Pink SALMON and macaroni (such a dish can be prepared at a total cost of about 35¢). For the evening meal, serve it in place of steak, hot, with a fish sauce, or in a combination dish with potatoes and rice.

COMPARE THE FOOD VALUE

	% Protein
Pink Salmon	21.40
Sirloin Steak	16.50
Sugar Cured Ham	14.20
Macaroni	13.40
Eggs	13.10
Spring Chicken	12.00
Rice	8.00
Baked Beans (canned)	6.90
Potatoes	1.80

Scientifically packed and cooked right in the can, all the valuable energy-giving elements, delicate natural flavor and freshness sealed in. The "King of Food Fish" serves every purpose of choice meats—at a cost of not more than 25¢ a can—and it provides more health value. (Be sure the label says PINK SALMON.)

Buy it in quantity—a dozen cans or a case at a time. A great Food Saving—in Time, Labor and Expense.

ASSOCIATED SALMON PACKERS
L. C. Smith Building
Seattle, Washington



Fill out and mail coupon for our attractive LIFE recipe book—*"Forty New Ways to Serve Salmon"*

ASSOCIATED SALMON PACKERS.

- L. C. Smith Bldg., Seattle, Wash.
☐ Please send me (free) booklet "Forty Ways to Serve Salmon."
☐ Enter my favorite recipe(s) herewith in \$1.000 prize contest. Made with.....
☐ Brand Pink Salmon.
☐ Send U. S. Dept. of Commerce Bulletin (free) on food value Salmon, and its beneficial iodine.

Name

Address

PINK SALMON WITH RICE
Line the bottom and sides of a mold with cold boiled rice one-half inch thick. Fill the cavity with creamed Pink SALMON and cover with rice. Steam 45 minutes, serve with white sauce.

PINK SALMON CHOWDER
Pound of canned Pink SALMON, 1 onion, 1 pt. milk, 1 potato, $\frac{1}{2}$ lb. salt pork, 2 crackers, seasoning. Cut up pork and onion and fry until they are a light brown. Mix with diced potato and pink Salmon. Season. Cover with boiling water, and let simmer for 20 minutes. Add milk and finely broken crackers.

PRIZES FOR

CHOICE RECIPES

First prize.....	\$ 500.00
Second prize.....	100.00
Third prize.....	40.00
Fourth prize.....	20.00
Fifth prize.....	15.00
20 prizes, \$10 each	200.00
25 prizes, \$5 each	125.00

\$1000.00

Did you ever serve canned Pink SALMON so tastily that family and guests just couldn't get enough of its deliciousness? Then your dish is worth a place in our new recipe book—every dish in it a prize winner! Here's your opportunity to show your skill at good cookery and be well repaid—a simple dish has just as much chance to win as an elaborate one.

Suggestions on Contest:
Please state whether recipe has been tried in your own kitchen and how many persons it should serve.
We should like to know your total cost preparing recipe.

Kindly indicate brand Pink SALMON you prefer and send label. Contest closes August 31, 1926.

The advertising agency obtained the cooperation of the merchandising departments of the newspapers selected for the campaign a considerable time before the advertising began to appear. Those merchandising departments first obtained information as to the stocks of pink and chum salmon held by wholesale grocers, enabling the packers for the first time to know accurately where the large and small stocks were located. The newspaper merchandise departments also arranged for thousands of window and store displays, distributed posters and dealer helps, and secured special attention for salmon dishes on the menus at hotels, cafés, lunch counters, and fountain lunches. Some newspapers even cooperated to the extent of offering prizes for the best window trims and the best recipes sent in to their home economics editors. Recipes and hints on using salmon were printed on the household pages of newspapers and magazines. Many of the retailers and wholesalers featured canned salmon in their advertising space during the Association's campaign.

The response from this advertising was demonstrated by an increased demand on the part of consumers. For the first six months of 1926 sales of pink and chum salmon were greater than they had been during any previous six months' period, with the result that by July the unsold stocks of packers were in good condition to receive the incoming pack.

The incoming pack of pink and chum salmon in 1926, however, was one of the largest in the history of the industry, the total of approximately 4,350,000 cases surpassing all previous packs of these two varieties of salmon. Many executives in the industry were of the opinion that had it not been for advertising and the better cooperative spirit shown between the packers and the distributors, the large pack of 1926 might have been disastrous in the fall of that year. These executives were convinced that the advertising had had a stabilizing effect upon the salmon packers, the salmon distributors, and the bankers, thereby making possible the orderly marketing of the 1926 salmon pack, but at a relatively low level of from \$1.25 to \$1.35 for pink and from \$1.20 to \$1.25 for chum. It was believed by many in the industry that this stabilizing effect of the advertising, together with the interest of the chain stores and the prosperous condition of the country helped the pack of 1926 to be marketed successfully.

In the prize contest carried on as a part of the campaign more than 60,000 women submitted 200,000 recipes. One of the newspaper advertisements announcing results of the contest is shown in Exhibit 7. Some of the contestants entered complete cook books containing from 25 to 100 tested recipes. Entries came from 60 foreign countries. Approximately 35% of the contestants submitted labels as requested, many of which were of brands that had been discontinued several years previously. These labels were taken as positive evidence that canned salmon was being moved through the stores.

In view of the highly satisfactory results of the advertising done during March, April, May, and June, the Associated Salmon Packers decided to make the advertising continuous. By the end of 1926, the advertising group had appropriated approximately \$350,000 for advertising and promotional efforts during that year in the following amounts: newspapers, \$104,650; magazines, \$43,330; farm journals, \$14,550; and other promotional activities, \$187,470. The objectives and procedure of the initial campaign were continued in the extended advertising program.

The results of the extended campaign were indicated by the statistics for 1926. The sales of pink and chum salmon for the year were 4,360,000 cases, while the carryover approximated 1,525,000 cases. However, since the 1926 pack had exceeded that of 1925 by nearly 600,000 cases and the 1926 sales had exceeded those of 1925 by approximately the same amount, this condition of stocks was very satisfactory. Since the per capita consumption in the United States of all kinds of salmon, moreover, had increased from 2.09 pounds in 1925 to 2.61 pounds in 1926,⁶ the packers did not anticipate any difficulty in disposing of the 1927 carryover during the spring season of 1927. In fact, if production continued at the current volume and per capita consumption continued to increase, it was anticipated that in a few years there would be little salmon for export. A comparison of the 1926 pack, sales, and carryover on January 1 with these figures in 1924 and 1925 is depicted in Exhibit 8.

A further step toward orderly marketing was taken early in 1927, when the principal leaders of the Associated Salmon Packers formed the Oceanic Sales Company, capitalized at \$100,000.

⁶ *American Trust Review of the Pacific*, April 15, 1927.

"King
of
Food
Fish"

Wonderful new ways to enjoy CANNED PINK SALMON Prize Winners in \$1000.00 Recipe Contest

Your guests will comment delightedly on—

"SALMON HOLLANDAISE"—3rd Prize
Cream ½ cup butter, add yolks of 4 eggs, one at a time. Beat well. Add slowly juice of 1 lemon, ¼ ts. salt, dash paprika, ½ cup boiling water, 1 can FINE SALMON, Baked, 1 small.



(MRS. GEO. H. MOELLER
722 S. Smith Ave.,
St. Paul, Minn.)



Enrich your breakfast menu with this fluffy, wholesome dish—

"PINK SALMON OMELET"—2nd Prize
Cook 1 tbs. onion and green pepper in bacon fat until delicate brown. Add 1½ cups cooked tomatoes, ¼ ts. salt, dash of pepper and 1 can FINE SALMON. Bake, simmer 10 minutes. Add 1 tbs. four beaten eggs in ¼ cup milk. Cook 1 minute. Remove from fire. Whip in well-beaten yolks of 4 eggs. Pour in well-buttered, flat-bottomed skillet. When partly cooked spread over one-half the stiffly beaten egg whites. Fold the other half of the yellow mixture over the whites. Bake in moderately hot oven for 10 or 15 minutes. Serve at once on hot platter.

(MINNIE C. CHILDS, Turin, Cal.)



Friday—"Fish Day", cry—

"BAKED SALMON WITH STUFFING"—4th Prize
Drain can of FINE SALMON and mix with ½ cup cracker crumbs, 1 egg unbeaten. Stuffing: Cook 2 tbs. finely chopped onion in 3 cup boiling water 10 minutes. Add ½ ts. each of salt, celery salt, paprika. Also liquor drained from salmon. Pour this over 2 slices stale white bread and 2 tbs. corn meal. Cool. Beat well. Put half salmon mixture into greased pan—shaping like loaf. Fill stuffing on this (thicker in center), shape the other half of salmon mixture and place on top of stuffing. Stir up with bacon. Cook in moderate oven until browned. Garnish on hot platter, serve with tomato sauce.

(RUTH DILLON KECKLER,
15 E. Dodridge St., Columbus, O.)



PRIZE WINNERS IN CALIFORNIA

SECOND PRIZE: Miss Minnie C. Childs, Turin, Cal.
BIO PRIZE: Mrs. T. M. Stahl, 1 Lincoln Court, Watsonville, Cal.
\$ PRIZE: Claire Whitney, 2648 Polk St., San Francisco; Mrs. C. E. Jozney, 311 Hurwood, Inglewood; Mrs. E. B. Budge, Box 44, Bakerfield; Mrs. Anna Lisa, Lakeside; Mrs. Margaret Pierce, 1315 Waterloo St., Los Angeles.
HONORABLE MENTION: Mrs. C. A. Emory, 1219 Sunset Ave., Pasadena; Mrs. E. C. Hedges, Apt. 3, 1351 7th St., Santa Monica.

Argyle Ave., Hollywood; Anna Waterhouse, Delano; Mrs. Clara V. Winslow, 252 N. Curtis Ave., Alhambra; J. L. Davis, Needles; R. O. MacGowan, 12 Wagner, 418 E. August St., Inglewood; Miss Marcella Olvera, Mill Valley; Mrs. Thomas Kahn, Apt. 206, 1940 Washington St., San Francisco; Alfred E. Golden, Chief Steward The Matsonia, Matson Navigation Co., Pier 32, San Francisco; Mrs. LeRoy Ferry, 627 7th St., Santa Monica.

HERE are rich, delicious, new ways to serve the world's greatest deep sea delicacy and health-food—Canned Pink SALMON. Capital prize-winners selected from over 200,000 recipes! Treat your family to Pink Salmon Omelet, Pink Salmon Hollandaise, or Baked Salmon with Stuffing, piping hot for dinner Friday—or any day—easy to prepare, inexpensive. Each dish as delectable as it looks—supremely good!

With its toothsome flavor the "King of Food Fish" gives you marvelous HEALTH VALUE. Generous quantities of Mineral Salts, phosphorus, vitamins and IODINE (nature's preventative of goitre), in Canned Pink SALMON make it essential to the growing child's diet. Youngsters love the tender pink fish flakes in sandwiches, salads or other inviting treats for the school lunch.

Give this zestful seafood a regular place upon the family menu. Scientifically pre-cooked in air-tight tins for indefinite keeping on your pantry shelves.

NOW is the time to reserve your copy of the new \$1,000 PRIZE RECIPE BOOK (priced at 50c), soon to be off the press. Will contain 100 unusual, tasty, prize-winning ways to serve Canned Pink SALMON. Just send in labels from two cans of Pink SALMON as used in your own kitchen. These labels will entitle you to a presentation copy of the \$1,000 Prize Recipe Book.



ASSOCIATED SALMON PACKERS
2500 L. C. Smith Bldg., Seattle, Wash.

I send herewith labels from two cans of
of SALMON for the new Prize Cook Book.
Name
Address 104

This company, which was to sell all varieties of salmon to wholesalers, represented packers who in 1926 produced 1,500,000 cases of salmon. The Oceanic Sales Company had an export department which was to operate in existing foreign markets and seek new markets for canned salmon.

In August, 1927, it became definitely known that the pink and chum salmon pack of that year had been a failure and was only slightly more than 50% as large as the big pack of 1926. Prices

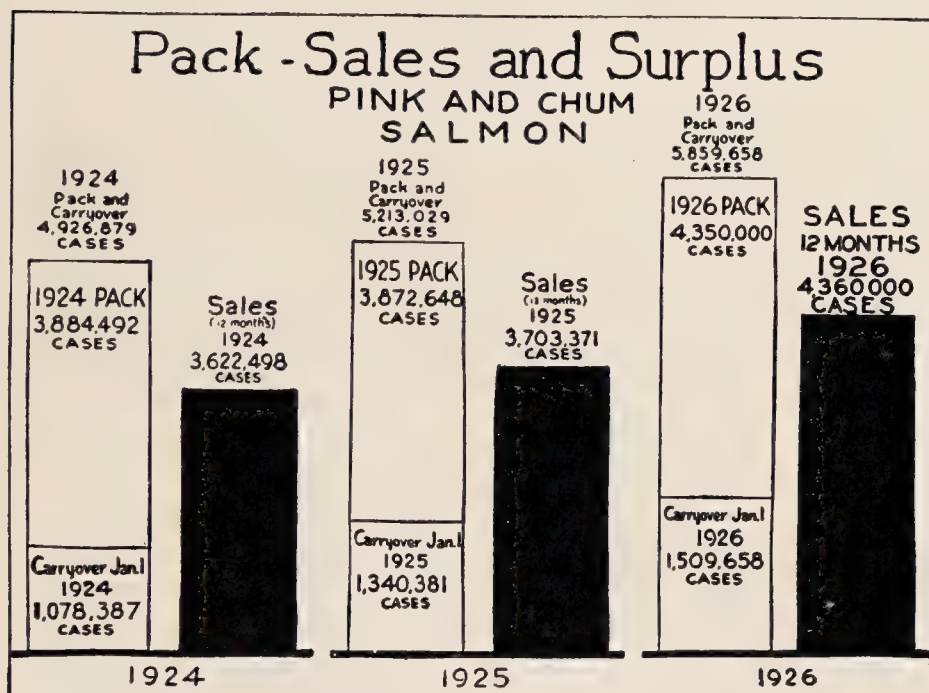


Exhibit 8: Pack, sales, and carryover of pink and chum, salmon packers of the Pacific Northwest, January, 1924, to January, 1927.

on both pink and chum salmon began to rise and month by month the unsold stocks became smaller. On December 31, 1927, the unsold stocks of pink and chum salmon amounted to only about 420,000 as against a total of 1,520,000 cases on December 31, 1926. In January, 1928, the stocks of pink and chum began to fall rapidly. Prices rose very high, pink being sold for \$1.75 to \$1.85 a dozen cans as against the previous price level of \$1.35 to \$1.50. Chum sold for about \$1.65 per dozen cans. In the meantime it was reported that many companies were carrying large stocks of red salmon.

COMMENTARY: Different from a number of the cooperative advertising cases in this volume, this case involves not a long-time educational campaign but one calling for quick sales results. The salmon packers were suffering from the depressing effects of a surplus stock; in addition, they anticipated a large pack in 1926. The surplus was causing a lowering of price to unprofitable levels. There was a need of immediate stimulation of demand to move the surplus and to prevent further accumulation.

The question which confronted the Associated Salmon Packers, then, was whether the product was one of readily expansible demand; whether advertising, together with other aggressive promotional efforts, would be likely to bring immediate increase in demand. I shall direct my comments primarily to this question.

Canned pink salmon is to the consumer a well-known staple product. It might appear offhand that such a product offers little opportunity for stimulation of sales through advertising. On the other hand, a number of factors made advertising appear to present an effective remedy for moving surplus stocks. Salmon meets a universal need. Moreover, at the particular time at which the campaign was to be launched, the chance of stimulating this need into an active want was heightened because of the Lenten season. The low unit price meant a small sales resistance. If the product could be made to appear desirable, housewives in all economic strata, and especially in the large consuming lower strata, might be induced to buy. The analysis of the advertising agency showed that there were fairly strong buying motives to which appeal might be made. Among these were *Maintaining and Preserving Health*. Salmon was a product of high food value and in addition it fitted in with the wave of public discussion concerning the value of iodine-bearing food in the diet. *Satisfaction of the Appetite* and *Pleasing the Sense of Taste* were other motives that could be presented. Suggestion of attractive dishes and new recipes with which to vary the menu would appeal not only to taste and appetite but even more strongly to the buying motive of *Proficiency* in connection with the housewife's cooking tasks. Appeal to this motive could be intensified by suggesting tempting dishes to place before guests. *Alleviation from Laborious Tasks* and *Opportunity for Leisure* were suggested in the possibility of quick preparation and serving of the product. *Economy in Purchase*, while not to be stressed according to the agency's opinion, was nevertheless a strong appeal for the product to many housewives.

We may conclude, then, that there were present many of the elements which would lead to a quick expansion of demand through advertising and promotional effort. Moreover, it must be recognized that heretofore salmon had suffered from lack of aggressive promotion

as compared with many food products. The salmon industry was composed of numerous small producers, few or none of whom had ever carried any selling message aggressively to the consumer. It is the type of industry in which we note cooperative advertising frequently coming to the fore. Cooperative advertising and promotional effort offered possibilities that were precluded to individual packers. The volume of business of any one was too small to permit of an impressive approach to the consuming public. When the task was assumed by the group as a whole, however, a program of some magnitude could be undertaken without an excessive burden on any one manufacturer.

Although criticisms of the planning and execution of the plan might be raised, it can be said that the elements of a well-rounded promotional program were present. Such extensive reliance upon the merchandising departments of newspapers in working with dealers may be questioned, yet the lack of any effective personal selling organization of individual manufacturers and of the Association no doubt made this an expedient practice. Accompanying the advertising were the following: (1) an attempt to see that wholesalers and retailers had adequate stocks to accompany the advertising program; (2) an active effort to secure window displays and the showing of dealer helps; (3) the securing of cooperation from hotels, restaurants, and other food-serving institutions in featuring salmon dishes; (4) a substantial modicum of news and editorial publicity in newspapers and magazines.

While the results which were obtained are not to be looked upon as phenomenal, yet the advertising apparently was of real help to the salmon packers. A substantial increase in cases of salmon sold as compared with the preceding year and the increase in per capita consumption can undoubtedly be attributed in part to the effect of the advertising and promotional campaign. Some of the increase undoubtedly came as a result of the low prices which held through the period of advertising.

The case seems to me to be illustrative of a situation in which cooperative advertising on the part of manufacturers offered a desirable marketing tool.

October, 1930

N. H. B.

SILVERWARE ASSOCIATION

TRADE ASSOCIATION—SILVERWARE

ESTIMATE OF PROMOTIONAL OPPORTUNITY—*Sales Promotion Other than Cooperative Advertising Recommended.* In 1921, an association of sterling silverware manufacturers asked an advertising agency whether the association should advertise. After conducting a market investigation, the agency advised against cooperative advertising, for the following reasons: the difficulty of formulating effective copy which would be acceptable to all members of the association; the unwillingness of retailers to market sterling silverware aggressively because of the small profit margin and the large stocks required by frequent new patterns; the high price of the product; and the decline in display value of sterling silverware in the home. The agency recommended that the association, instead of advertising, effect an agreement among manufacturers limiting the number of new styles and that it carry on promotional and educational work among retail jewelers and consumers.

ESTIMATE OF PROMOTIONAL OPPORTUNITY—*Cooperative Advertising Recommended.* An association of sterling silverware manufacturers, which since 1921 had followed the recommendation of an advertising agency to carry on promotional and educational work among retailers and consumers rather than cooperative advertising, in 1925 consulted another advertising agency about the practicability of magazine advertising. As a result of a market investigation, the agency concluded: that, of the four income groups into which it divided all families, sales to the three highest groups could be increased by effective advertising; that a reaction against a tendency to buy other luxuries than sterling silver had begun; and that the basic appeal of sterling silver was its acceptance as a symbol of social and economic position. The agency recommended that the association advertise for a year in several national magazines, utilizing this basic appeal, and, in addition, provide sales helps for retailers.

(1921-1925)

In 1925, the Silverware Association, an association of the 18 leading manufacturers of sterling silverware in the United States, several of whom also made plated silverware, contemplated using advertising as a means of increasing the consumer demand for sterling silverware.

In 1921, reports made to the Silverware Association had indicated that sales of sterling silver had had no appreciable

advance during the previous ten years. At that time, the problem of whether or not the Association should use advertising to increase the sales of the industry had been submitted to an advertising agency, which, after conducting an investigation both among the members and among retailers and consumers, had reported unfavorably upon the plan.

The agency had stated that the copy for such advertising, in order to be effective in increasing the sales of sterling silver, would have to draw a comparison between sterling silverware and plated silverware and, therefore, would not meet with the approval of members who made both types, some of whom were among the largest manufacturers in the Association. Manufacturers of sterling silverware, furthermore, did not have uniform sales policies. Some manufacturers made frequent style changes and sought to increase sales by an appeal to emulation, while others marketed their product on the basis of appeals to artistic taste and to the style permanence and durability of the product. The agency had concluded, therefore, that lack of coordination would develop among manufacturers during the course of the campaign and that the advertising copy would have to be too general to be effective.

The retail trade, moreover, did not wish to market sterling silverware aggressively. Retail jewelers, especially, complained that the profit margin was small and that it was practically impossible for them to carry adequate stocks of either flat or hollow ware,¹ since the keen competition among manufacturers had caused 108 new patterns of flatware to be placed on the market during the preceding ten years and since hollow ware consumed too much space and required too much service to keep it in condition.

From the investigation, the agency had concluded that a tendency for people to entertain in hotels instead of in their homes had greatly lessened the display value of sterling silverware and thereby decreased the demand for it. The agency also had found that there was a greater demand for plated silverware than for sterling silverware, which was approximately three times higher in price, and that the public in general did not know what the word "sterling" meant. The agency had reasoned, therefore,

¹ Silverware was divided into two classes: flatware, such as forks, knives, and spoons; and hollow ware, such as bowls, pitchers, trays, and goblets.

that, even though an appreciation for sterling silverware on the part of the public could be stimulated, its high price would prove a serious obstacle to its purchase.

The agency had recommended to the Association that, instead of advertising, it strive to effect an agreement among manufacturers which would limit the number of styles placed upon the market; that it carry on promotional work among retail jewelers to show them the reasons and the methods for effectively promoting the sale of sterling silverware; and that it do educational work among consumers by obtaining the cooperation and influence of local and national women's organizations.

During the following four years, the Association had been instrumental in effecting an agreement among its members under which each manufacturer would produce but one new pattern of flatware in not more than 18 items every two years. Also, in order that manufacturers and retailers might be protected from carrying excessive stocks and filling orders for patterns of small demand, there had been a provision for the destruction of dies of discontinued patterns. Sales promotion work had been carried on to encourage and educate the 3,000 leading retail jewelers in the United States to sell sterling silverware. The profit margin allowed retailers had been slightly increased. Experienced speakers and organizers had been employed, who had given lectures before various women's organizations to demonstrate the prestige and the permanent value of sterling silverware.

By 1925, the Silverware Association had become convinced that some of the obstacles which the advertising agency had found in the way of national magazine advertising had been removed. The Association, therefore, employed another advertising agency, which had had varied and successful experience in association advertising, to make an investigation and submit a report upon the practicability of using magazine advertising to stimulate the sales of sterling silverware.

After conducting an investigation among retailers and consumers, this advertising agency submitted a report of its conclusions and recommendations. The report stated that since, in the opinion of the agency, sterling silverware was a luxury, its market was measured by two factors, artistic taste and income. The incomes of families, as given by the United States census figures, were classified by the agency into four groups. The first

group consisted of 165,000 families whose incomes were large enough to enable them to satisfy every want without regard to price. The second group was composed of 320,000 families whose incomes, although large, forced them to limit either the number of wants which they filled or the quality of the products with which they filled their wants. The third group, the so-called upper middle class, consisted of 2,500,000 families whose incomes, derived from either salaries or wages, were so small that their purchases of luxuries were limited by force of necessity and thrift. The fourth group embraced the remaining families in the United States, whose incomes were sufficient to buy only the necessities of life or at the most only a few luxuries. The agency believed that the majority of sterling silverware purchases were made by the first group and by the most wealthy of the second group. A few purchases were made by the third group and almost none by the fourth.

From the investigation the agency concluded that, while men influenced the purchase of sterling silverware to the extent to which they controlled the amount of money spent, their influence was secondary to that exerted by women. The majority of sterling silverware was purchased for or by young women just before or just after marriage, when they were thinking of the standards represented by the homes which they were establishing. The next largest volume of sterling silverware was bought by older married women whose social achievement or development of taste prompted such purchases.

Eighty per cent of sterling silverware sales, so the agency estimated, were made as gifts for weddings, anniversaries, and other occasions. Because of the large proportion of June and October weddings and the heavy buying for gift purposes during the Christmas shopping season, the largest sales of sterling silverware were made in the spring and the fall.

While department stores and low-grade jewelry stores sold a small amount of sterling silverware, the majority of sterling silverware was sold by about 3,000 high-grade jewelry stores throughout the country. The jewelry trade resented the selling of sterling silverware by department stores. Most of the retail jewelers bought sterling silverware directly from the manufacturers. The more important retail outlets for sterling silver were the jewelry stores in the large centers of population. Retail jewelry stores in

the large cities had greater prestige than the stores in smaller cities. They were located in the centers which contained a greater concentration of wealth and, because of their size, were able to stock a larger number of patterns and styles than the smaller stores. Although the retail jewelers complained that their sales of sterling silverware were decreasing, the agency's investigation disclosed the fact that few of them aggressively marketed sterling silverware, either because they believed that to do so would detract from their dignity or because they lacked knowledge of sales promotion methods. Retail jewelers were reported satisfied with the new margin of profit received on sterling silverware. In fact, many reported that they believed the presence of a good sterling silverware department added to the prestige of their store. Retail jewelers stated that they would willingly cooperate with any movement calculated to increase their sales of sterling silverware.

From its study the agency concluded that the market for sterling silverware among the group of largest incomes was greatly undeveloped and that, because of the wealth and cultural background of this group, it would be the easiest to sell. The total retail sales of sterling silverware by the members of the Silverware Association had been approximately \$25,000,000 in 1924. If all these sales had been made to the 165,000 families in the first income group, the annual purchase per family would have equalled \$151. Sales had been made, however, to the second, third, and possibly even the fourth income groups. Consequently, the average annual purchase per family of the first group must have been considerably smaller than \$151. In consideration of the ability of the families in this group to purchase sterling silverware and the disproportionate number of occasions on which these families gave valuable gifts in comparison with other groups, the agency believed that the average annual purchase of families in the first income group was disproportionately small. A considerable increase in sales, the agency estimated, also could be made in the second income group, but active sales promotion would be necessary because of the pressure of appeals to buy other luxuries. The third group of family incomes represented, in the opinion of the agency, an opportunity which had scarcely been touched. Although the average annual sales to the type of family represented by this group probably would never be large, effective

advertising might increase the aggregate of the small sales to this group. The agency doubted whether a luxury such as sterling silverware could ever be sold to the type of family represented by the fourth income group.

Although, according to the *United States Census of Manufactures*, the value of sterling silverware manufactured in the United States had increased but 37% from 1914 to 1923, whereas the value of plated silverware had increased 206% during the same period, the agency believed that the competition with sterling silverware came not so much from plated silverware as from other luxuries desired by consumers. The families of the upper income groups, which, in the opinion of the agency, were the primary market for sterling silverware, were educated to its intrinsic value, while the families of the lower income groups were not. Consequently, the agency believed that the families of the upper income groups bought plated silverware not because they preferred it but because the large saving in price gave them money with which to buy other luxuries. Although the income of the average family had increased during the past two decades, new ways had appeared for the family to spend its income other than for sterling silverware, which for centuries had been accepted as one of the easily recognized symbols of social and economic position. The families of the higher income groups appeared to be entertaining more outside their homes than ever before and therefore did not feel the need of establishing their social position by serving their guests with sterling silverware. The report stated that there probably were many families who had sterling silverware in storage vaults because they believed that the display of sterling silverware was not now in good taste. Moreover, for purposes of decoration, sterling silverware had lost ground in its competition with other articles such as glassware, crockery, china, wood, pewter and textiles.

The agency believed that reaction against this tendency to buy other luxuries than sterling silver had begun. In its opinion, the American people were trying to evolve from the best traditions of the past an expression of living which was purely American. American antiques of all sorts—books, pewter, furniture, and even textile motifs—were exerting an unprecedented influence on commercial products. It was the belief of the agency that sterling silverware had an important place in this movement and that

silverware manufacturers should take advantage of this tendency among persons of wealth and good taste.

The agency further believed that sales of sterling silverware could be increased more effectively by the Association as a whole than by its members individually. The investigation among consumers and retailers indicated that purchasers of sterling silver were interested first in pattern, second in price, and third in the reputation of the manufacturer. The fact that an article was stamped "Sterling" eliminated any question as to the integrity of the material. In the case of plated silverware, on the other hand, the investigation indicated that the reverse was true. Because the purchaser bought plated silverware chiefly on the basis of utility and looked to the integrity of the manufacturer as a guarantee of the wearing qualities of the product, the purchasers of plated silverware were interested first in the reputation of the manufacturer, second in the price, and third in the pattern.

Because of the differences in the importance of these buying motives to purchasers of sterling silver and plated silverware—a difference which, in the opinion of the agency, was a natural one and would persist—the agency believed that no large percentage of potential customers could be made to connect sterling silver with the trade name of a manufacturer, except in so far as individual manufacturers could surround their brands with the prestige of several well-known retail jewelers.

Although there was no unanimity among the members of the Association as to the appeal that would prove most effective in selling sterling silver, the agency concluded that the basic appeal of sterling silver was to be found in the fact that it was a symbol of social and economic position. It believed that the beauty, durability, gentility, and romance of sterling silver were only a part of this broader significance. The agency suggested the slogan, "It is sterling—more cannot be said," for the use of the Association in its advertising. In the following statement of its reasons for choosing the slogan, the agency suggested ideas which it recommended that the Association incorporate in the copy of its advertisements:

This slogan expresses sterling with good taste and confidence, and it might be a summarizing thought for every lover of sterling no matter what factor of sterling was predominant in its appeal.

It is not a tricky slogan. It has no obvious rhythm. If it were such, it would probably miss the mark of the character and tradition of sterling. It sets no single reason why sterling should be bought; in a sense, it opens the window to a whole process of thought about the entire subject of sterling. Any one of these thoughts, or all, may be pursued to the conclusion of buying it.

The first three words are the words that have actually been used by millions of people in inspecting a piece of silver. It is the declaration of a standard that differentiates sterling.

This inspection and these words are comparable to the finger rubbed over the engraved card, to the search by a glance for the white dot that says "Dunhill," to the glance that locates the red hub cap on a Packard and the head-lights on the fenders of a Pierce-Arrow. It implies a known and unquestioned standard resident in the word "Sterling" itself.

It coincides with the human tendency to summarize values with a word. If I say to you that I have a Rembrandt or a Gainsborough, what more can I say about my paintings? The implication of this slogan is the same. These seven words imply that a discrimination is made and, perhaps more important, that this discrimination is expressed in words; that people evaluate silver by the standard of sterling and express it in speech to others. There is a thought for the giver of gifts and the hostess.

The agency recommended that the Silverware Association insert full-page advertisements each month for a year in *House Beautiful*, *Vogue*, *House & Garden*, *Vanity Fair*, and *Town and Country* and, in addition, send sales helps, including broadsides, window displays, and newspaper mats, to the 3,000 leading retail jewelers in the United States.

COMMENTARY: This case presents several points of interest relating to primary demand and its stimulation through advertising. First, it affords opportunity to speculate upon the effect of price as it may limit promotional opportunity for a product among various economic and social strata of consumers. Second, it indicates how, over a period of time, one product may lose its place relatively in the market from the competition of entirely different types of products. Third, it suggests how changing living habits may affect the demand for a product. Fourth, it illustrates how the force of selling appeals may vary among various groups of consumers. I shall take up these points in order and indicate at the end my doubts concerning the practicability of a cooperative advertising program.

In contrast with the Associated Salmon Packers, who directed their advertising appeal to the public at large, the Silverware Associa-

tion had a product whose high price required a careful delimiting of its market in order to avoid ineffective advertising and promotional expenditure. The varying utility of sterling silverware in different social strata, resulting from differences in individual or family incomes, is clearly indicated. The market study of the advertising agency derived four income and social groups among whom the opportunities of promoting sales needed to be estimated. The first group could buy sterling to the extent which its desires dictated; price was not a real drawback. In the second group, limited incomes meant that increased purchases of sterling would necessitate displacement of other purchases with consequent sacrifice of wants. In the third group, some sales of sterling might be expected, but the total purchases of any one family were bound to be limited because of the high price. The high price of sterling almost precluded its purchase by members of the fourth group because of the sacrifice involved.

The selling appeals which might be made for the product would be essentially the same to each of these groups; namely, the purchase of sterling as a means of affording a mark of social and economic standing or its purchase as a gift marking the giver as a person of discrimination. The chance of these appeals becoming effective—that is, leading to purchase—in these various groups would, of course, vary because of differences in income. Marginal utility for a product among various individuals is affected directly by their incomes.

The agency was wise, then, in directing a promotional appeal to the higher income groups among whom the sacrifice of purchasing sterling was relatively smaller. Advertising and promotion directed widely would have produced waste.

Sterling silver had not shown an appreciable increase in volume of sales over a period of years. At least, we are led from the statement of the case to conclude that the increase had not kept pace with the increased buying power of American families and the increase in population. Apparently sterling silverware had ceased to give satisfaction of wants commensurate with the satisfaction received by the possession of other types of products. The influx of new luxuries, which filled the same desire for mark of social distinction satisfied by sterling in simpler times, had started. In addition, many other products, which filled other wants, had been aggressively promoted. These competing wants had succeeded in displacing to some extent the desire for sterling.

The decrease in demand for sterling silverware was believed by the advertising agency to have resulted to some extent from changed living conditions. It was contended that, whereas people formerly had been inclined to entertain in their homes with a display of sterling as a mark of social standing, now many entertained outside their homes. Accordingly, sterling did not give to many consumers the satisfaction

which it had formerly provided. Expenditures went in other directions. How true this analysis of the advertising agency may be can only be surmised; it is worthy of note, however, for it is essential that a marketer shall always be alert to any such changes which may affect the demand for his product. If the analysis was correct, then the sterling manufacturers were operating against a trend which would render advertising and promotion relatively ineffective. Whether the conclusion of the second advertising agency was sound, that indications pointed toward an increasing appreciation by the American family for household articles of intrinsic merit, can likewise only be surmised; but again there is indicated a search for trends which might affect either favorably or adversely the opportunity for stimulating demand for a product.

Above we have indicated that the opportunities for effecting sales of sterling varied among different economic and social groups. We have pointed out, however, that the appeal to be made for the product was much the same among all classes. It is necessary in such a case to estimate to what extent the appeals would be effective among the various consumer groups.

The first group, whose incomes were large enough to enable them to satisfy every want without regard to price, in some ways seems the most promising group to have approached. Among this group, plated ware was not likely to be purchased. Some sales effect might have been expected both from suggesting to such people that sterling silverware provides a symbol of social standing and also from stressing that its purchase for gifts marks the giver as a person of discrimination.

On the other hand, there is reason to believe that among the people in this wealthy group sterling had not suffered greatly from the inroads of competition from other luxuries. They were accustomed to sterling, and, although changed conditions of entertaining may have reduced somewhat its purchase for display in the home, yet the establishment of a household among such people at all times has called for a proper complement of silverware. The opportunity of promotion among this group would appear to lie, then, in calling to the attention of these people at appropriate times the suitability of sterling for gift purposes.

Among the second group, whose incomes were large though not large enough to satisfy all desires, sterling silver had probably suffered in competition with other luxury products that had come on the market in recent years. Here, moreover, the decreased utility of sterling as a mark of social standing had probably come into effect. Even among this group, however, it is doubtful whether the stressing of this motive of desire for social prestige would have great effect. It is my belief that in this group the owning of sterling ware to satisfy the motive is taken as a matter of course. Here, as with the previous group, the

promotional strategy, I believe, should be that of calling to the attention of people at the appropriate time the desirability of sterling for gifts.

In the third group, those with limited incomes who have to measure carefully their expenditures, the competition from plated silverware became operative. Over a period of years, manufacturers of plated ware, many of whom also sold sterling, had carried on widespread and aggressive advertising which had sought to build an atmosphere of social acceptance around plated ware. Accordingly, for this group there was direct competition in the appeals used for both sterling and plated ware. Although such people would recognize that sterling gave a higher mark of economic attainment than plated ware ever could give, yet it is questionable whether the sterling manufacturers with the limited funds at their disposal could ever heighten the desire to a point where it would displace the hold of plated ware. The high price of sterling led to considerable resistance because its purchase entailed so much sacrifice. Plated ware had the advantage of price, plus a social acceptability built up through clever advertising. Accordingly, we may conclude that among this group the sterling manufacturers did not have a readily expansible market. It is doubtful whether a large promotional expenditure among such a group would pay for itself. At least I believe it is safe to say that a purely educational advertising campaign, in order to establish the idea of the social acceptability of sterling ware for home use and for gifts, would not be likely to pay for itself.

From the statements in the case, it appears that sterling silverware had suffered from lack of proper retail display and selling methods. Gifts are in large part bought as a result of shopping and inspection. Impulse plays a large part in what is bought. Proper display of sterling ware would, I believe, be more likely to result in actual sales than would any attempted stimulation through space advertising. Accordingly, it is my conclusion that the individual manufacturers and probably the Association should have given their main attention to the problem of getting proper retail display and promotion of their wares.

In my mind, there is a doubt as to whether individual sterling manufacturers should have devoted a part of their promotional expenditures to the proposed Association advertising campaign. Many of the individual manufacturers were carrying on advertising devoted to their own patterns and brands. Although, as pointed out by the agency, brands of sterling ware were not likely to be well known among consumers, yet in the advertising of the patterns each manufacturer had what was practically equivalent to a brand because he alone owned particular designs. In his advertising, then, he had opportunity both to make his patterns known and to appeal subtly to the gift and social

prestige motives contemplated in the Association program. He could illustrate and describe specific articles that would make suitable gifts or that would be attractive to the housewife; he could display patterns that might strike the fancy of those addressed. The Association, on the other hand, would not have such an opportunity; its copy approach would have to be more general and abstract and would be likely to suffer thereby. If the manufacturer coupled with such advertising a promotional plan to secure proper retail selling cooperation, then he had a direct and specific selling approach more likely to result in sales, I believe, than would the abstract educational approach of the Association.

In so far as the individual manufacturers in their advertising made the most of the primary motives open to them, then they would be accomplishing for the industry that which was contemplated in the proposed Association advertising program.

October, 1930

N. H. B.

AMERICAN PAINT AND VARNISH MANUFACTURERS ASSOCIATION
TRADE ASSOCIATION—PAINT AND VARNISH

COOPERATIVE ADVERTISING—*Development of Coordinated Selling and Advertising within Industry.* In order to develop the large potential market for paint and varnish in the United States, the national association of paint and varnish manufacturers undertook a comprehensive program of educational advertising to consumers and to the industry, after members of the association had agreed to contribute \$100,000 annually for five years for such advertising. The campaign adopted by the association included advertising in national magazines and trade papers; magazines issued to the trade or sold at cost to painters and retailers for consumer distribution; advertising helps for local campaigns by retailers and painters; motion pictures for use at conventions of the industry; and data furnished to the press for special or news articles. In four years after the beginning of the advertising campaign, production in the industry had doubled.

COOPERATIVE ADVERTISING—*Selection of Appeals on Basis of Effectiveness and Meeting Conflicting Interests.* An association of paint and varnish manufacturers undertook a comprehensive campaign of educational advertising to consumers and to the industry, in order to develop the large potential market for paint and varnish in the United States. Of the four tasks performed by paint and varnish—decoration, preservation, sanitation, and correct lighting—the association selected preservation as the basic appeal of the campaign, adopting a slogan based on this appeal, because it appeared to be broadest in its application to consumers and to serve impartially the varying interests within the industry.

(1921-1927)

Although manufacturers of paint and varnish in the United States knew in 1919 that the industry had grown almost steadily from the earliest year for which figures were available, they realized that it had done little more than keep pace with the normal population growth of the country and had not enjoyed the greatest possible growth. A cursory survey by a few executives of some of the leading companies in the industry convinced those executives that only a small percentage of the surfaces needing protection were properly painted or varnished and that, therefore, there existed in the United States a large undeveloped market and a real

consumer need which were the result of a lack of recognition by the majority of consumers of the services which paint and varnish perform. On the basis of this belief, these executives persuaded members of the American Paint and Varnish Manufacturers Association to contribute \$100,000 annually for five years to be used by the Educational Bureau of that Association to advertise the uses of paint and varnish to consumers.

Reliable figures of production by the entire industry had never been compiled. In fact, it was not until 1921 that, by the aid of the United States Department of Commerce, steps could be taken to secure such data. The figures for the value of paint and varnish produced in previous years, as published in the *Census of Manufactures*,¹ were probably indicative, but it was found that they were incomplete. Because of fluctuating prices, comparative yearly production in terms of dollars was unreliable as an indication of progress. Only annual figures dealing with tonnage and gallonage, reduced to pounds, could show the progress or retrogression of the industry. Such figures, compiled in 1927, are shown in Exhibit 4, page 65. It was estimated that probably 90% of the industry's production came from 50% of the manufacturers, and that the bulk of this production came from the Middle Atlantic and East-North-Central states. Approximately ten of the manufacturers had national distribution.

The Educational Bureau of the Association, though lacking specific market data, was not deterred from action. It was apparent that rust, rot, and wear, which the proper use of paint and varnish could wholly or partly prevent, were common. Proper care of interiors, from standpoints of beauty, sanitation, light, and preservation, was very frequently conspicuous by its absence. The potential or undeveloped market appeared to be at least three times as great as the existing market.

Paints and varnishes were used on many surfaces, chiefly on wood and metal and to a less extent on concrete and brick. According to an estimate of the Bureau, the sale of paints and

¹ The *United States Census of Manufactures*, 1921, showed that 850 firms, 25% of which made both paints and varnishes, manufactured paint valued at \$203,071,000, and varnish valued at \$71,239,000. While the total value was a decrease from the production in 1919, which amounted to \$340,346,000, it represented an increase of approximately 53% over the value of the total production in 1914. Forty-six manufacturers in the industry had an individual annual production valued at less than \$5,000; 414 manufacturers had an individual production valued at more than \$100,000.

varnishes was divided according to their use approximately as follows: for property maintenance, 40%; for new construction, including buildings and bridges, 30%; for industrial use on rolling stock, automobiles, furniture, and other articles that required painting or varnishing prior to sale, 30%. In the opinion of the Bureau, a good market for paints and varnishes existed in rural communities for use on barns, houses, and other buildings, and on farm implements, but the larger market was among urban communities. The consumption of paint in sections of the United States varied almost directly with the density of the population, though in the South it fell below the average. The largest sales of paint took place in the spring and in the fall.

No uniform distribution policy was followed by the industry as a whole. Some manufacturers distributed their products through wholesalers, others directly to retailers, while many makers of industrial finishes sold directly to users. Some manufacturers selling to retailers followed the exclusive agency plan and some did not. The master, or contracting, painters with large organizations bought from manufacturers, and those with small organizations and without credit bought from dealers.

The retail outlets in large cities were hardware stores and stores which carried paint, varnish, oil, glass, and wall paper exclusively. In rural districts, the retail outlets were hardware stores, general stores, lumber dealers, and drug stores.

According to the Bureau, retail sales of paints and varnishes were made to property owners, who usually bought them already mixed, while master painters, who preferred to mix their own paint, bought the basic materials for their needs. Architects, who, the Bureau estimated, controlled approximately 75% of new building operations, usually specified the raw materials to be used rather than a manufacturer's brand, in order to make the painter responsible for the quality of the paint or varnish used.

The efforts of the Bureau were directed entirely toward the establishment of an advertising platform which would be equally beneficial to all members of the industry: namely, manufacturers, among whom there was a competitive situation because of opposing types of finishes made for the same purpose; wholesalers; retailers; and master painters. Establishment of such a platform required a careful study of the uses of paint and varnish and a determination of the motives leading to their purchase and use.

Paint and varnish performed, in varying degrees of importance, four tasks: they served as a means of decoration, of preservation, of sanitation, and of obtaining correct lighting. While the Bureau recognized that the use in consumer advertising of the appeal to use paint as a means of decoration would be forceful, it was not an appeal which served all subscribing manufacturers equally well, as many were not making products for decorative purposes. Moreover, the appeal to beauty would fail to move many consumers who had no feeling for the esthetic and apparently no pride in appearance of property. The appeal of sanitation applied only to a limited field of uses, as did the appeal of obtaining better interior light. The appeal of preservation seemed to be broadest in its application, for two strong reasons: (1) Paint and varnish always preserved the property on which they were applied. The motive for painting might be beauty, sanitation, or light, but in any case the painting automatically preserved. "If you paint to beautify, you preserve—if you paint to preserve, you beautify," became one of the campaign's effective epigrams. (2) Neither beauty, sanitation, nor lighting appealed to all consumers, but all consumers desired to save, and the appeal to preserve accorded with this desire. The Bureau estimated that paintable property of all descriptions had a valuation of some \$80,000,000,000; that such property unprotected would deteriorate at least 2% a year, or \$1,600,000,000; that this deterioration was going on day and night on all property; and that only paint and varnish could effectively, easily, and economically check it. This idea was expressed in the campaign statement, "It costs less to paint than not to paint."

The preservation appeal, then, was deemed to provide the broadest, yet most penetrating attack on the public consciousness. Moreover, it served impartially the varying, sometimes conflicting, interests within the industry. While setting forth the economic purposes of the commodities, paint and varnish, it disregarded the issues between lead and zinc as base materials, and between the manufacturer of mixed paint and the master painter, as to who should do the painting, the consumer himself or the master painter. It ignored also the question of quality of finishes and of workmanship. On this appeal of preservation the whole industry could unite to stimulate more use of paint and varnish as the main objective. It was thought that questions of whose paint was to be

used by the consumer, what type and quality of paint were to be used, and who should apply it, could well be left and should be left to competitive sales or advertising effort.

Although consumers knew something of the causes of deterioration, they were less conscious of the value of paint and varnish as a means of prevention. This use of paint and varnish never had been used as a sales appeal in any advertising by individual companies. Consequently, the Bureau expected that the appeal to save property through the use of paint would prove to be a dynamic and effective motive and that its propagation would result in a worth-while education of property owners, which in turn would benefit both them and the paint and varnish industry. Furthermore, this appeal, being new, would give individuality to the campaign of the industry and leave individual companies undisturbed in continuing their use of the beauty, sanitation, lighting, and quality appeals. Any resulting increase in the use of paint and varnish would be shared by all members in the industry, according to the extent of their operations and the efficiency of their sales method.

The Educational Bureau of the American Paint and Varnish Manufacturers Association decided to carry out a complete educational program, which included advertising and publicity work among consumers and educational work among members of the industry. The Association adopted the slogan, "Save the Surface and You Save All," for use throughout the campaign.

In addition to the manufacturers who subscribed the first \$100,000 annually for five years, others became contributors as the campaign progressed. Four new classifications of subscribers also began to contribute, according to an assessment plan developed and considered equitable by the Bureau. These contributors included wholesalers, retailers, painters, and paint salesmen, the latter on a nominal basis of one dollar a year.

Advertising in national magazines constituted an important part of the campaign. At regular intervals the Association inserted full-page advertisements in the *Saturday Evening Post* and the *Farm Journal*. One of these advertisements is reproduced in Exhibit 1.

A magazine, called *Save the Surface Magazine*, edited at the headquarters of the campaign, was sold at cost to painters and retailers for distribution to their customers. Copies also were

When you paint to preserve ~ you beautify



Who can question the rewards of surface protection? Let him look around, at home or on his travels. He cannot fail to see how paint and varnish touch his life for the better in all his dealings.

Why then, paint to preserve? Why beautify? Because paint and varnish are the most effective and economical means of protecting surfaces from decay, and of giving them a beautiful appearance. They are the most important factors in the life of a building, and the most important factors in the life of a man.

SAVE THE SURFACE CAMPAIGN

When you paint to beautify ~ you preserve



and
Paint & Varnish



Exhibit 1: Magazine advertisement used by American Paint and Varnish Manufacturers Association.

distributed directly to consumers through a free mailing list. Save the Surface calendars, issued for several years, were sold to local retailers and painters for distribution among their customers.

The industry was kept informed of the campaign and its interest sustained through full-page advertisements in twelve trade journals. Examples of these advertisements are shown in Exhibits 2 and 3. Publicity articles concerning the work of the campaign also were distributed to these journals. A second magazine, *Save the Surface News*, was issued quarterly to the trade. A comprehensive plan of cooperative advertising was developed to encourage retailers and painters to conduct local campaigns carrying the same appeals as the national magazine campaign. Motion pictures portraying the story of the industry and the advance of its cooperative activities were produced for use before conventions of manufacturers, wholesalers, retailers, and salesmen. Definite plans for the education of retailers and master painters to the use of more systematic advertising and more aggressive salesmanship were worked out. A booklet was written for circulation among retailers and painters, which presented in detail ways and means for increasing their sales. Traveling exhibits, which portrayed the roles of the retailer, the painter, and the manufacturer, were produced for use in local expositions.

As the campaign progressed and the subject of paint and varnish in its various aspects became of increasing public interest, the press began writing to the campaign headquarters for data, for pictures, and for articles which could be used for news or special articles. About 1924, the Association organized a special department to meet these requests. This department prepared both regular and special releases along the lines of interest indicated by the press.

In the summer of 1927, the Association was still continuing the campaign started in 1919. The Association had expended \$100,000 in 1919 and an average of nearly \$200,000 annually in the years following. About 70% of the money was spent on national and trade-paper advertising, and the balance in campaign promotion, convention and sales promotion, and administration.

In addition to the advertising and promotional work carried on by the Association, many members had increased their advertising activities and linked their advertisements with those of the

The safety of structures on which human life depends is vital... Anyone can lament disaster ... The wise provide safety

"Save the surface and you save all" — *Paint & Varnish*

MORE than preservers of property, paint and varnish are preservers of human life. Think of the bridge, the steel girder, the ship; the countless structures to which humanity trusts itself so confidently, knowing the safety qualities of surface protection. Where paint and varnish are systematically used, we go and come upon our daily affairs with calm security. Saving the surface is an essential part of safety to life and limb—just as of health, cheerfulness, thrift and prosperity.

SAVE THE SURFACE CAMPAIGN, 15 East 41st Street, New York.

↓ Triple the Industry by 1931*

Exhibit 2: Trade paper advertisement used by American Paint and Varnish Manufacturers Association.



Paint and varnish
have brought
the past to the
present and will
carry the present
to the future

"Save the surface and
you save all" - *Paint & Varnish*

Our nation is 150 years old. We are rich in our heritage from the founders who built so enduringly six generations and more ago. They taught us preservation of property as well as preservation of principle. They have left us exam-
ples of beautiful homes -- made beautiful by them and preserved for us, their heirs, by the systematic use of paint and varnish. They did not know this adage, but they acted on the principle -- "Save the surface and you save all."

SAVE THE SURFACE CAMPAIGN, 18 East 41st Street, New York.

A national organization of paint and varnish manufacturers, working to preserve the products and services which protect and beautify practically every kind of property.

Triple the
industry
by 1931.

Exhibit 3: Trade paper advertisement used by American Paint and Varnish Manufacturers Association.

Association by displaying the slogan and trade-mark of the campaign, "Save the Surface and You Save All."

EXHIBIT 4

TOTAL PRODUCTION OF PAINT AND VARNISH IN THE UNITED STATES,
1921 TO 1926, AND PERCENTAGE INCREASE OVER 1921

Year	Total Production in Pounds	Percentage Increase over Base Year
1921	1,294,450,000	Base Year
1922	1,779,114,200	37.4
1923	2,118,634,200	63.6
1924	2,251,826,400	73.9
1925	2,476,331,000	91.2
1926	2,425,690,000	87.5

Note: Though accurate figures were lacking, it was estimated that production in 1921 was moderately below that of 1920, which was the peak year of the industry and somewhat ahead of 1919.

In 1921, the goal set by the industry was to double production in five years, or by 1926. The figures shown in Exhibit 4 indicate that this goal was almost attained in four years' time.

COMMENTARY: The "Save the Surface Campaign" of this Association is frequently cited as an outstanding example of a successful cooperative educational advertising campaign. This commentary will attempt to point out those elements which tended to make the effort of value to the industry.

In contrast to the situations presented by numerous of the cases in this volume,² individual firms in the paint industry were carrying on a large amount of advertising and promotional effort. In 1919, when the Association's effort was started, 22 paint manufacturers were magazine advertisers, and of these 5 were expending sums in excess of \$100,000 a year on space in magazines alone.³ The total magazine space used by them during that year was in excess of \$1,400,000. In 1920, approximately \$2,000,000 was spent for magazine space

² For examples, see the Associated Salmon Packers, p. 27; American Leather Producers, Inc., p. 305; Greeting Card Association, p. 69; Irish and Scottish Linen Damask Guild, Incorporated, p. 94; Portland Cement Association, p. 150; and Rayon Institute, p. 122.

³ See *Leading Advertisers*, annual volumes, Curtis Publishing Company, Philadelphia; also *National Markets and National Advertising*, annual volumes, Crowell Publishing Company, New York.

by paint manufacturers; in 1924, this amounted to over \$3,000,000; and in 1926, it was nearly \$4,000,000. In addition to this magazine advertising, a considerable sum was spent by these manufacturers in newspapers and for dealer helps and other promotional efforts. The Association's magazine space expenditure during the campaign fluctuated around \$100,000; it exceeded this figure by a considerable amount in 1920, when \$175,000 was expended, and it was considerably less in 1922, when the expenditure was \$61,000. From these figures we can see that the industry was carrying on a considerable promotional effort, and that the advertising of the Association at all times represented a relatively small part of the advertising effort of the industry.

Too much credit should not be ascribed to the Association's advertisements in bringing people to an appreciation of the use of paint for preventing deterioration. The campaign served primarily as a rallying ground for carrying on a coordinated effort not only by the paint manufacturers but also by wholesalers, retailers, painters, and painters' salesmen. It was a focal point for stimulating many types of promotional effort.

While a large part of the advertising and promotion of individual manufacturers previous to 1919 had been devoted to stimulation of a selective demand, yet it undoubtedly had an effect in stimulating primary demand. Some primary appeals appeared in their programs of advertising, such as the appeal to beautify. Moreover, aggressive presentation of the products, even though the appeals were chiefly selective, undoubtedly had some effect in stimulating primary demand for them. Their use was continually suggested to the buying public. The intensity of the competitive fight within the industry, however, probably had not resulted in an effective effort to stimulate increased use of paint.

In looking for a common ground suitable to all conflicting interests within the industry on which to carry on an advertising campaign, the Association was so fortunate as to find a fairly strong buying motive to which to appeal, one which could be epitomized in an effective slogan: "Save the Surface and You Save All." This phrase provided not only the core idea for the Association's advertising campaign, but its presentation with its pictorial mark was uniformly carried in the advertising of individual companies. It was likewise incorporated in dealer-display material. During the period of the campaign the expenditures of individual companies mounted rapidly, as may be gathered from the figures of magazine space quoted above. Continued presentation of the slogan in millions of advertisements, even though the main thesis of the advertisements was primarily selective in character, thus permitted the idea of property preservation through the use of paint and varnish to sink into the consciousness of consumers.

Not only were the manufacturers induced to carry on this promotional effort, but all elements in the industry were exhorted to increase selling activity. Wholesalers, retailers, painters, and painters' salesmen were induced to contribute to the promotional fund. Contributions by these individuals brought more interest in the effort. The Association attempted to increase both the quantity and the quality of selling effort on the part of these distributive individuals. It may be seen, then, that the Association's advertising campaign was truly a focal point for a united effort of aggressive selling by the industry as a whole.

The Association did not confine its efforts to paint advertising and to work among individuals in the industry; it sought general publicity through the news columns of newspapers and magazines as well.

The utilization of publicity in a cooperative educational program is deserving of careful consideration. To try to educate the public with paid space is ordinarily an expensive job. An interesting comment on this fact may be found in the autobiography of Claude C. Hopkins:⁴

New Habits are created by general education. They are created largely by writers who occupy free space. I have never known of a line where individual advertisers could profitably change habits.

If that cannot be done on a big scale, it certainly cannot be done on a small scale. Every line, every word, directed to that end is a waste. No one can profitably change habits in paid print. The advertiser comes in when those habits are changed. He says: "Here is the right method."

Many millions of dollars have been wasted by advertisers who do not recognize that fact. They aim at people not yet schooled to use the products which they offer. The idea is fine and altruistic, but it never can be made to pay.

The attempt on the part of the paint manufacturers to carry on as much of the educational program through the preparation of interesting articles to be carried in news and editorial columns of newspapers and magazines was, then, a sound procedure. Free publicity should be sought in all such educational campaigns.

The Save the Surface campaign was not a flash in the pan. It has been carried on continuously over a number of years. If the public is to be educated to use a product, results should not be expected too soon. Education is a slow process. An educational campaign ordinarily should be carried on over a period of time to come to its full effect. This statement, of course, assumes recognition of the need of providing fresh interest in advertising and publicity and of keeping the industry

⁴ Hopkins, Claude C., *My Life in Advertising*. New York, Harper & Brothers, 1927.

stimulated to carry on aggressively in order to make the educational work effective. This latter task is a difficult one. The American Paint and Varnish Manufacturers Association has apparently taken measures to retain the interest of those in the industry. A trade magazine has been maintained; paint advertisements and free publicity in trade journals have been used; other publicity means, such as motion pictures, have been utilized.

After all is said, it is most difficult to appraise the effect of a program of this kind. During the period of advertising covered in this case, the United States passed through a period of growing business activity. New building and the increased production of automobiles in themselves would account for much of the increased consumption of paint, irrespective of the advertising and promotion carried on. In the end it is hard to tell to what extent the promotional idea has really taken hold of the public. This difficulty of appraising results of educational advertising and of maintaining fresh interest among cooperators ordinarily accounts for the lack of long continuation of such programs. The duration of the Save the Surface campaign has been unusual.

November, 1930

N. H. B.

GREETING CARD ASSOCIATION

TRADE ASSOCIATION—GREETING CARDS

COOPERATIVE ADVERTISING—*Consumer Advertising Shifted to Sales Promotion Work with Retailers.* Beginning in 1918, when a war-time condition threatened to impair the growth of the industry, an association of greeting card manufacturers carried on for 10 years advertising and promotional work, directed at consumers, retailers, and manufacturers, which was successful in increasing sales. In 1928, believing that the purchase of greeting cards had become a habit with the public and realizing that the ineffective selling methods of retailers constituted the most serious handicap to sales, in the expansion of which proper display by retailers was considered an important element, the association decided to discontinue its consumer advertising during 1929 and to devote its available funds exclusively to work with retailers, primarily to secure better display.

COOPERATIVE ADVERTISING—*To Combat Harmful Propaganda in War Period.* The World War, by interrupting the importations of greeting cards from England and Germany into the United States, gave the manufacturers of the latter country an opportunity to develop their business in larger volume. When the United States entered the war, however, adverse comment by some periodicals against the purchase of greeting cards during the war caused the manufacturers to inaugurate a campaign of advertising under the direction of their trade association to combat this opposition. By advertising which presented greeting cards as conducive both to maintenance of morale at home and to the cheer of soldiers in the field, the association was able to double its sales in 1918 over those of the previous year.

COOPERATIVE ADVERTISING—*Objectives in Campaign Directed to Three Groups.* An association of greeting card manufacturers, in carrying on advertising and promotional activities, directed its efforts toward three groups: consumers, retailers, and manufacturers. It had the following objectives: to stimulate consumer sales of greeting cards throughout the year and to induce their purchase through the established retail channels of the association's members; to overcome the general ineffectiveness of retail methods and to convince retailers that it was working in their behalf; and to promote solidarity among manufacturers, attract new and desirable members, and combat the competition of manufacturers utilizing distributive channels through which association members refused to sell.

CONSUMER BUYING HABITS—*Relation to Cooperative Advertising Stimulating Primary Demand—(Commentary).* With reference to cooperative

advertising by an association of greeting card manufacturers, the commentator points out that the only practicable advertising for this product is that which aims to stimulate a primary demand, since greeting cards are purchased by the consumer on the basis of personal selection at time of purchase, without reference to brand discrimination. For this reason and because the greeting card industry at the time was made up of relatively small firms, none of which could advertise extensively, cooperative effort by all firms to stimulate primary demand was entirely fitting.

(1918-1928)

The manufacturers of greeting cards in the United States, faced in 1918 by a war-time condition which seriously threatened to impair the growth of the industry, inaugurated a campaign of advertising under the direction of their trade association. In December, 1928, advertising and promotional work had been continued uninterruptedly for more than ten years. In the opinion of the secretary of the Association, this cooperative effort not only had served to preserve the industry in a time of crisis, but had proved a major factor in building the sales of greeting cards from approximately \$10,000,000 to \$60,000,000 annually.¹ In making promotional plans for 1929, the association contemplated the adoption of increased promotional work among retailers in place of space advertising to consumers.

Development of Association

The industry had organized in 1914 under the name of the National Association of Greeting Card Manufacturers. Its primary objective was the interchange of credit information and the maintenance of a collection bureau. The greeting card business in the United States was relatively small; not more than six or eight manufacturers engaged in the production of such cards and the majority used them as side lines to other publishing activities. Up to the outbreak of the World War in 1914, England and Germany enjoyed the preponderance of American trade in greeting cards, but the interruption of importations incident to hostilities brought the American manufacturers an opportunity to develop their business in larger volume.

When the United States entered the war in 1917, some of its leading periodicals attempted to discourage the sending of greet-

¹ The growth of greeting card sales is shown in Exhibit 6, p. 90.

ing cards. They used the argument that the money thus spent might better be contributed to the several war drives which were then being carried on—those of the Red Cross, Salvation Army, Knights of Columbus, and similar organizations. Allowed to pass unquestioned, such adverse comment was calculated, at least during the remainder of the war, to cripple the industry. The Association, consequently, augmented by manufacturers who had not previously enrolled as members, decided to accept the challenge. Money was raised by subscription, and in advertisements counter-arguments were advanced which cited the war as a reason for the use of greeting cards, as conducive both to the maintenance of morale at home and to the cheer of the soldiers in the field.

When sales of greeting cards in 1918 doubled those of the previous year, it appeared that the campaign had achieved its purpose. Its successful issue attracted new members to the Association and convinced the group that the continuation of advertising should prove beneficial. The term "greeting card," itself, had not succeeded to popular usage prior to the advertising activities of 1918, but became thereafter the standard designation for the product.

Meanwhile, a new and shorter name for the organization had been adopted: the Greeting Card Association. Not until 1927 was the Association incorporated, and in the intervening years its organization was relatively loose and its records incomplete. Consequently, accurate information concerning the activities of the Association before 1927 was lacking.

The membership of the Association grew rather in volume of business than in numbers. During its early years it comprised approximately 25 manufacturers, who at the beginning of the advertising in 1918 were responsible for about 75% of the production in the United States. New manufacturing units attracted to the field increased the association membership until in 1924 it numbered 45. This figure subsequently declined on account of failures and mergers to 32 in 1928, but the amount of business controlled by members remained at approximately 75% of the total production of the country. Of the manufacturers who were not members of the Association at that time, some 10 or 12 were considered to be of adequate size and stability to prove valuable as additional recruits.

The development of industrial standards and practices was a major achievement of the Association. Starting in 1914 with cooperation on credits and collections, the scope of activities gradually expanded. The race of manufacturers to display their Christmas card samples to retailers a day or two ahead of competitors ended when the Association succeeded in establishing February 1 as the earliest date upon which orders for such cards might be solicited. The members acted together in refusing to ship on consignment and attempted to offset the effects of mail-order and house-to-house sales by the encouragement of permanent retail outlets. In 1920, an associate membership classification for such retailers was established in order to secure their closer collaboration. Although the number of associate members rose to 600 in a short time, the initial enthusiasm of the retailers rapidly dwindled and the Association discontinued this type of membership in 1922.

Organization of Association

The work of the Association in 1928 was controlled by a board of 15 directors elected by the members. A permanent secretary and staff were maintained at the office of the Association in New York City. Advertising and sales promotion activities were supervised jointly by an advertising committee of three (in the past it had numbered as many as five), the secretary, and the advertising agency.

The advertising agency prepared copy and selected mediums for the Association's national magazine advertising. In addition it acted in an advisory capacity in the preparation of selling helps for retail dealers. A single agency had been in charge of these functions since 1923.

Dealer material was prepared by specialists in that field under the supervision of the advertising committee, the secretary, and the agency. A mailing organization was employed to collate and mail the dealer helps. Collection of subscriptions was carried on by a New York City trust company. By thus utilizing the services of these several types of outside organizations it was possible for the Association to keep its own personnel and management problems at a minimum.

Annual conventions were attended by manufacturing members and their salesmen, and in small number by retailers. Aside from

the information presented at these conventions, the Association made no attempt to work with manufacturers' salesmen, believing that interference of this sort would be resented by member companies.

The Raising of Funds

The secretary of the Association considered that the main influence on the success of any cooperative advertising program lay in the methods by which it was financed. In spite of the fact that the basis upon which subscriptions were levied by the Greeting Card Association was still in process of perfection, he believed that a workable solution to the problem had been achieved.

From the beginning of the advertising in 1918 until the year 1925, subscriptions were entirely on a voluntary basis, each manufacturer contributing what he considered proper. It was recognized that this method was hardly equitable and was leading the Association into difficulties. Some of the manufacturers appeared to be paying less than they should and some of the smaller ones to be paying more.

In 1925, consequently, an assessment plan was adopted with subscriptions based on a percentage of the sales of each member for the preceding year. Originally the figure was set at 1% of sales for those manufacturers whose annual volume amounted to \$25,000 or more, with a minimum subscription of \$250 for those under \$25,000. The details of the plan were revised twice between 1925 and 1928, but the method of basing contributions on a percentage of sales volume was retained. In 1928, the levy was still generally 1%.

Although some of the manufacturers in the Association were not averse to revealing the amount of their annual sales, others hesitated to do so. The collection of subscriptions as a percentage of sales presented difficulties, therefore, inasmuch as each manufacturer's sales had to be reported before his subscription could be determined. The problem was solved by appointing a trust company as fiscal agent. Members of the Association stated the amount of their previous year's sales in affidavits which were filed with this institution. The amount of the subscription was then calculated and collected, all funds being held to the credit of the Association. The sales statistics were available for inspection only to the trust company and to the secretary of the Association.

The disposal of Association funds was in the hands of the board of directors, which determined appropriations for the various activities.

The Association's records were inadequate to provide definite information as to yearly income. Estimates by the secretary, however, disclosed the following upward trend. In 1918, by individual subscriptions varying between \$250 and \$10,000, \$40,000 was raised. In 1919 and 1920, the annual budget rose to approximately \$50,000. For the years 1921-1924, it was known only that the total subscriptions had increased gradually. Upon the inauguration of the percentage basis in 1925, the figure averaged for the next three years around \$100,000, and in 1928, it was anticipated that the Association's income would reach \$110,000.

Industrial Conditions

The manufacturers of greeting cards were of several types. The first comprised the larger units, most of which belonged to the Greeting Card Association and subscribed to its policies. The second included smaller producers who might or might not belong to the Association but among whom a considerable portion conducted their businesses essentially in the same manner as did members. Thirdly, there still existed as a heritage from the early years of the industry a group which produced greeting cards only as a side line and was not therefore primarily interested in the industry itself. The fourth class consisted of those non-association manufacturers who marketed their cards in whole or in part either by mail or through house-to-house canvass.

The distributive channels were varied. Specialty greeting card shops were few in number. Aside from these the most logical outlets were stationers, gift shops, and department stores. Cards were sold also through jewelers, printers, drug stores, and chain stores. The members of the Association sold only to these several types of retailers either directly by traveling salesmen, or in relatively few instances through wholesalers of stationery. Other manufacturers sold in a similar manner, and also made retail sales by mail, by canvassers, or sometimes through shops established for temporary exploitation of a favorable market.

Brand discrimination in greeting cards was slight. The motives which induced the purchase of cards were design, origi-

nality, sentiment, and the general quality of paper and printing. Advertising by the individual manufacturers was consequently of little effect and the main burden of retail selling devolved upon proper selection and display.

Advertising Objectives

The objectives of the Association's advertising and promotional activities were directed toward three groups: consumers, retailers, and manufacturers. Among consumers the use of greeting cards was to be stimulated. This objective involved an effort to overcome whatever antagonism existed toward their use, whether of a temporary nature as experienced during the war or of more permanent character such as doubt concerning their social acceptability. It was aimed to educate consumers to the use of greeting cards not only in the Christmas season, but also on the other occasions for which they were appropriate. Consumers were to be taught also to patronize the regular established retailers through whom alone the members of the Association distributed.

The advertising in both consumer and trade mediums, as well as the sales assistance offered by the Association, was calculated to make allies of these established retailers. A feeling had grown up among the retailers that the Association represented a sort of trust, the benefits of which accrued exclusively to the manufacturers. It was essential to convince retailers that the Association was functioning to promote their sales and was discriminating in their favor against transitory greeting card shops and against distributors who sold through the mail and through canvassers. Education of retailers was also desirable in respect to the attitude of the Association concerning shipments on consignment, credit and collection policies, and other trade practices. Finally the Association attempted to remove one of the chief obstacles to the advancement of greeting card sales by overcoming the general ineffectiveness of retail methods.

Among the manufacturers the advertising activities were counted on to produce industrial solidarity and to attract to the Association new and desirable members. They were also employed to combat the competition of manufacturers who utilized distributive channels through which Association members refused to sell.

Mediums

Detailed lists of mediums used and of insertions therein for the years prior to the 1928 campaign were not available. The advertising agency which handled the account in 1928 had acted in that capacity for five years, but possessed no records that would provide such information; neither did the Association. The secretary, however, knew in general the facts concerning mediums and the proportional distribution of campaign funds among the various types of advertising.

No newspaper space had been used for the cooperative advertising. The customary distribution of the appropriations for several years prior to 1928 had been 75% in general magazines, 15% in booklets and direct mail, and 10% in trade papers and for general office overhead.

Magazine advertising had been directed almost entirely to consumers and the same general approach followed throughout the ten years during which it had run. Advertising in trade magazines had been spasmodic and had not been considered as a major part of the work during the early years. This form of effort, however, took on added significance after 1925.

For the first campaign in 1918, space used in national magazines of large circulation was supplemented by a small amount in trade papers. In general, a similar policy was followed in subsequent years, and the schedule for 1928, which was on record in detail, indicated the approach of the Association toward the selection of mediums. During that year copy was run in the *Saturday Evening Post* in March; in the *Ladies' Home Journal* in April and June; in *Liberty* in May, October, and December; and in the *American Magazine* in October. *Good Housekeeping* and *McCall's Magazine* also carried insertions. All of these magazines had large circulations and were calculated to reach the broadest cross-section of the consumer market for the money available.

The advertising agency judged that 80% to 90% of greeting cards were bought by women and that the majority of readers of general magazines, with perhaps the exception of *Collier's*, consisted of women. The market for greeting cards, furthermore, was not restricted to any definite economic or social group. The *Ladies' Home Journal*, *Good Housekeeping*, and *McCall's Magazine* appealed specifically to women, as did the *American Magazine* in

less degree. The *Saturday Evening Post* and *Liberty* were not edited particularly for women, but included a large female element in their circulations. They were read, furthermore, along with the *American Magazine* by several million men whose influence on the purchase of greeting cards was significant, although considered of minor importance. It was thought also that the *Saturday Evening Post* especially had a marked effect on retail dealers in stimulating improvement in their marketing methods and in associating those methods with the cooperative advertising.

The majority of the consumer advertisements appeared in space two columns wide by six inches deep; two columns by five inches was also used. It was believed that layouts of this size made up largely of illustrations would attract sufficient attention and would provide the cumulative effect of more frequent insertions than could be purchased if larger space were used.

The advertisements which promoted greeting cards for established occasions like Easter and Mother's Day appeared ordinarily from two to three weeks before the date of celebration. The volume of sales for the Christmas and New Year holidays required a preceding period of from six weeks to two months. Advertisements featuring cards to be used throughout the year in connection with such events as birthdays and weddings, were not similarly restricted as to date of insertion and were published at convenient intermediate intervals.

The 1928 campaign in trade papers consisted of six full-page advertisements seven by ten inches. Five pieces of copy were inserted in each of three papers, the *Modern Stationer*, *Gift and Art Shop*, and *Pacific Stationer*. The sixth was published only in the *Modern Stationer*. The circulations and rates for advertising in these publications, as secured from the December, 1928, issue of *Standard Rate and Data Service*, were as follows:

	Total Circulation	Per Page 3 Insertions	Per Page 6 Insertions
Modern Stationer.....	3,524	\$ 72.00	\$68
Gift and Art Shop.....	7,883	100.00	90
Pacific Stationer.....	no statement	47.50*	45*

* Rate quoted on the assumption that the insertions be run in consecutive issues.

Layout and Copy

Long, argumentative copy was considered inappropriate. Significant annual increases in sales indicated that the public was familiar with greeting cards and willing to buy them and that there was little probability of a recession in rate of progress. Upon the assumption of consumer familiarity and of widespread distribution among retail outlets, the attempt was made in the advertising mainly to recall to consumers the incidence of the various occasions. Very short copy was used and the chief burden of the advertisements was placed on a prominent illustration and explanatory headline. Illustrations were counted on to attract attention and to transfer the copy appeal more definitely into the experience of readers than could be done through the medium of words. The slogan, "Scatter Sunshine with Greeting Cards," consistently appeared in all advertising after 1918.

Inasmuch as friendship and love prompted the sending of greeting cards, sentiment was a factor in all of the advertisements. Photographs were ordinarily used to depict the happiness experienced by recipients of greeting cards. Headlines and copy were designed to further this impression. Appeal was made to several motives in an attempt to convince consumers that greeting cards fulfilled social and friendly obligations in an easy manner and that they were at the same time a sincere expression of the feeling of the sender in more apt phraseology than his ingenuity could command. The tone of the advertisements conveyed the impression not only that the sending of greeting cards was a customary procedure but that there was no stigma attached to their use in place of personal letters. It was deemed preferable to convey this impression indirectly, since a statement in so many words that cards were socially acceptable might have involved a negative reaction on the part of consumers.

Special cards designed for set occasions provided for Valentine's Day, Easter, Mother's Day, Thanksgiving, Christmas, and New Year's Day. Other cards, providing for those events which occurred at all times during the year and for which greeting cards were appropriate, were birthday, wedding, birth, sickness, graduation, bon voyage, and gift enclosure cards.

Advertisements were also devoted to purposes aside from the strict reminder of dates and occasions. The public, for

instance, was urged to select its Christmas cards early in the season on the ground that a better selection was available at that time and that the rush of late sending was thereby avoided. These advertisements were calculated to help dealers by lengthening the season during which Christmas cards might be sold. In 1927, furthermore, a series of advertisements was prepared in an attempt to direct the purchasing public to the established greeting card retailers through whom the manufacturers of the Association distributed. These advertisements stressed the quality and assortment of the cards that such retailers carried and impressed upon the public the emblem which had been devised for display in the windows of authorized stores.

In the 1928 consumer advertising, illustrations appeared at the top of the layouts and occupied at least half the space. One illustration in an advertisement featuring birthday cards appeared over the headline "As Exciting as the Birthday Cake" and pictured a little girl standing before a table which bore a cake with six candles. She was happily intent upon the greeting card which she held in her hands and the copy amplified the impression with "Each little card proves another friend has remembered the date."

Mother's Day particularly permitted the injection of sentiment into the copy. The headline on this occasion for the May, 1928, insertion in *Liberty* was worded: "Forget Her Day? . . . Hardly!" Above it a gray-haired mother smiled wistfully over a greeting card, which she had singled out from the day's mail to be read first. An inset illustration in the upper left-hand corner pictured the posting of the card in a mail box by a young man and woman who appeared happy in this expression of filial regard. A line of copy rounded out the appeal: "A Mother's Day Card will fill with joy the heart that loves you always."

Printed in small blocks of white space inserted in the lower left-hand corner of most of the illustrations were a few words of direct command such as "Send Easter cards," "Mother's Day, May 13, send cards," and "Send a card of congratulation." At the bottom of each advertisement appeared the campaign slogan, "Scatter sunshine with greeting cards." Just above the slogan and below the copy appeared the Association emblem together with the following appeal, in small type, for the patronage of the retail outlets approved by the Association:

In shops displaying this seal you will find cards made by members of the Greeting Card Association—exquisite cards distinguished by the work of foremost writers and artists.

Two of the advertisements in the 1928 series appear as Exhibits 1 and 2.

The copy in trade papers was designed to convey to retailers the impression not only that the Association was building up sales of greeting cards and helping the industry in general but that its activities were particularly directed toward the assistance of its retail distributors. Only one of the six advertisements in 1928 contained an illustration, but all of them displayed prominent headlines. The trade paper copy was longer than that in consumer mediums, running from five to eight paragraphs.

The first trade paper advertisement of the 1928 series appeared in March under the caption, "*From TEN MILLION to FIFTY MILLION—plus . . . within ten years. Greeting Card sales have grown . . . and How!*" The copy followed:

Immediately before the Great War the annual volume of greeting cards sold in this country was about \$10,000,000 retail.

Ten years later it had grown to proportions variously estimated at from \$50,000,000 to \$65,000,000.

In 1913 greeting cards were almost exclusively for Christmas, New Year, Easter, and Birthday remembrance.

Now—they are mailed almost every day in the year.

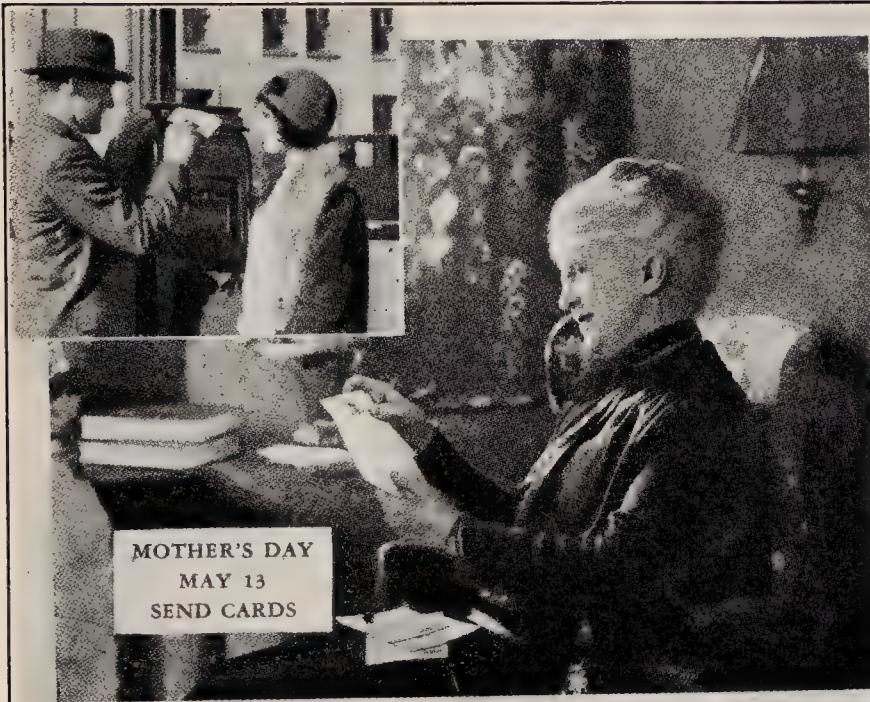
Advertising, started in 1917, has helped in bringing about this amazing growth, and in putting the business on its present sound and profitable basis.

This advertising has been carried on by the Greeting Card Association, which is made up of the manufacturers whose names appear below.

These manufacturers are working for your interest. They decline to sell to those who compete with established retail stores.

Another of the advertisements asked "Whose Cash Register Rings First?" and made the point that in the process of expanding greeting-card sales, "Before any added profits could jingle in the manufacturer's till, the retailer's cash register had to ring."

The trade advertisements in general asserted that the Association's advertising and display material had assisted retailers in selling cards and that the policy of Association manufacturers in refusing to sell to temporary stores and mail-order and house-to-house distributors had placed the established dealer in a better



Forget Her Day? Hardly!

A Mother's Day Card will fill with joy
the heart that loves you always

*In shops displaying
this seal you will find
cards made by members
of the Greeting Card*



*Association—exquisite
cards distinguished by
the work of foremost
writers and artists.*

Scatter Sunshine with Greeting Cards

Exhibit 1: Magazine advertisement used by Greeting Card Association.



Christmas wouldn't be Christmas *without the postman's visit*

Send Christmas Cards to *all* your friends this year, and, as well, to those less fortunate than you, whose day will be the brighter for your

cheery message! Many folks are selecting cards now—while varieties are plentiful and shops not overcrowded. Why not get yours, too?

*In shops displaying
this seal you will find
cards made by members
of the Greeting Card*



*Association—exquisite
cards distinguished by
the work of foremost
writers and artists.*

Scatter Sunshine with Greeting Cards

Exhibit 2: Magazine advertisement used by Greeting Card Association.

competitive position. One of the insertions was designed specifically to convince retailers of the justice of the Association's stand against shipments on consignment. This type of appeal was deemed important by Association executives to overcome the opinion entertained to some extent by retailers that the standard practices and code of ethics which the association had developed were inimical to their best interests.

Exhibits 3 and 4 present examples of the 1928 trade paper advertisements.

Advertising by Individual Manufacturers

Because of the character of the motives which impelled the purchase of greeting cards, brand preference for the product of an individual manufacturer was difficult to induce. Little independent advertising of greeting cards, consequently, was done by the various manufacturers who made up the membership of the Association. The practice was in fact frowned upon by the majority of the member companies.

One of the five largest producers had, in 1922, incorporated in its advertising of gifts and novelties a small section of copy designed to promote sales of its greeting cards.² Serious protest voiced by competing members of the Association at the annual convention in 1922 resulted in the company's discontinuance of this type of advertising, despite the fact that a prominent trade paper in the advertising field had given a strong endorsement of the practice. The company based its decision on the reasoning that harmony within the Association was too important to be sacrificed to the principle involved and that a majority of the Association was convinced that individual advertising deprived competing members of a fair share of the business created by the cooperative program.

In 1924, another large manufacturing company had contemplated the advertising of greeting cards on its own account, but had changed its plans before any copy had appeared.

Work with Dealers

It was the opinion of Association executives that the ineffective selling methods of the average greeting card retailer constituted

² See case of the Colton Card Company, 5 H.B.R. 99.

How did this acorn become an oak?

ONCE upon a time (and this is no fairy tale), Greeting Cards were mere incidentals. Displayed in a remote corner of the store, they *might* by chance rake in a few wandering dollars.

Today, dealers who push good lines, and give their customers no chance to forget, are finding that Greeting Cards pay a fat share of the rent.

How did they get that way?

A number of causes have helped bring about this happier situation. Some of these are intelligent work on the dealers' part—window displays that couldn't be missed by the passing crowd—local advertising, in newspapers and the movies, to spot their stores in the public eye.

Another important factor has been the promotional and cooperative work of this Association, made up of the members listed below.

Sending opportunity to knock at your door

This work has included national advertising



in the prominent magazines, kept up consistently for more than ten years—helps for the dealer in his local and store advertising—electros—window signs—movie slides—conventions which dealers attend and interchange helpful ideas—a rigid policy to sell none but established retailers.

These are some of the high spots of this Association's work. These manufacturers, as the Greeting Card Association, are spending their money, time and effort to promote your prosperity.

The results of this work must benefit you, before it can profit them.

Buy from those who help you sell

Brady-Robbins Co.,
1327 W. Washington Blvd., Chicago, Ill.

The Bromfield Publishers,
12 High Street, Brookline, Mass.

Butler, Thomas & Co., Inc.,
1201 Race St., Philadelphia, Pa.

The Buza Co.,
Minneapolis, Minn.

The Cincinnati Art Publishing Co.,
1021 Broadway, Cincinnati, Ohio

Chas. S. Clark Co.,
218-232 W. 40th St., New York, N. Y.

Edward E. Clark,
30 E. Randolph Street, Chicago, Ill.

A. M. Davis Co.,
330 Atlantic Ave., Boston, Mass.

Dreyfuss Art Co.,
137 Varick St., New York, N. Y.

Dupuis Rickman Eng. & Emb. Co.,
632 Sherman St., Chicago, Ill.

The Exclusive Co.,
414-16 N. 3rd St., Philadelphia, Pa.

Gibson Art Co.,
Cincinnati, Ohio

Stephen Greene Co.,
34th and Market Sts., Philadelphia, Pa.

Hall Brothers, Inc.,
Grand Ave. and Walnut at 26th Street,
Kansas City, Mo.

Henderson Lithographing Co.,
Norwood, Cincinnati, Ohio

Japanese Wood Novelty Co.,
109-129 Summer St., Providence, R. I.

The Keating Co.,
9th and Sansom Sts., Philadelphia, Pa.

A. E. Little Co.,
414½ S. Broadway, Los Angeles, Cal.

Jessie H. McNicol,
18 Huntington Ave., Boston, Mass.

Master Craft Publishing Co.,
2218 North Racine Ave., Chicago, Ill.

Milner Bros., Inc.,
23 Lafayette St., Brooklyn, N. Y.

Newman Publishing Corp.,
22 West 18th St., New York, N. Y.

Rust Craft Publishers, Inc.,
1000 Washington St., Boston, Mass.

Shreve & Co.,
San Francisco, California

Sixstar Manufacturing Co.,
Dayton, Ohio

Turner & Porter, Inc.,
49 W. Swan St., Buffalo, N. Y.

P. F. Volland Co.,
Joliet, Ill.

THE GREETING CARD ASSOCIATION, INC., 354 Fourth Avenue, New York

Scatter Sunshine with Greeting Cards

This seal is the emblem of dealers who sell cards made by members of The Greeting Card Association, Inc. It is attractive and dignified—in color, of course... Decalco-



mania form, easily placed on the glass of your window or door, to let your store in with Greeting Card national advertising. If you are an Association dealer, write for it.

Exhibit 3: Trade paper advertisement used by Greeting Card Association.

The TAX on Consigned Shipments

Do you help pay it?

GOODS returned from consignment never come back as they went out.

Damaged boxes must be replaced. Broken packages must be adjusted to their original contents. And how can fingered and shopworn goods be resold except at a sacrifice?

Who pays for all this? Who but the dealers who keep their consigned shipments?

The manufacturers who make up the Greeting Card Association regard the practice of shipping on consignment as a lure, an unethical procedure, an advantage to the few at the expense of the many.

The members of the Greeting Card Association price their product fairly and maintain their prices. You can buy from them with the assurance that your competitor down the

street is getting no advantage that is denied you.

These members refuse to play the ends against the middle by selling house-to-house salesmen, mail order concerns, fly-by-night retailers, and others who directly compete with the established, taxpaying retailer.

The Association works to promote your profits by national advertising of the Greeting Card idea and by furnishing well-planned dealers' helps—including electros, movie slides, display material, "Forget-me-nots"—a convenient little booklet of dates to remember.

It aims, in short, to do away with trade evils and abuses that the dealer eventually pays for in higher prices and lost sales—and to increase the consumption of Greeting Cards through national advertising and dealers' sales helps.

Buy from those who help you sell

Brady-Robbins Co.,
1327 W. Washington Blvd., Chicago, Ill.

The Bromfield Publishers,
12 High Street, Brookline, Mass.

Butler, Thomas & Co., Inc.,
1201 Rice St., Philadelphia, Pa.

The Buzzs Co.,
Minneapolis, Minn.

The Cincinnati Art Publishing Co.,
1021 Broadway, Cincinnati, Ohio

Chas. S. Clark Co.,
218-232 W. 40th St., New York, N. Y.

Edward E. Clark,
30 E. Randolph Street, Chicago, Ill.

A. M. Davis Co.,
530 Atlantic Ave., Boston, Mass.

Dreyfuss Art Co.,
137 Varick St., New York, N. Y.

Dupuis Rickman Eng. & Emb. Co.,
632 Sherman St., Chicago, Ill.

The Exclusive Co.,
414-16 N. 3rd St., Philadelphia, Pa.

Gibson Art Co.,
Cincinnati, Ohio

Stephen Greene Co.,
34th and Market Sts., Philadelphia, Pa.

Hall Brothers, Inc.,
Grand Ave. and Walnut at 26th Street,
Kansas City, Mo.

Henderson Lithographing Co.,
Norwood, Cincinnati, Ohio

Japanese Wood Novelty Co.,
109-129 Summer St., Providence, R. I.

The Keating Co.,
9th and Sansom Sts., Philadelphia, Pa.

A. E. Little Co.,
414½ S. Broadway, Los Angeles, Cal.

Jessie H. McNico.,
18 Huntington Ave., Boston, Mass.

Master Craft Publishing Co.,
2218 North Racine Ave., Chicago, Ill.

Milner Bros., Inc.,
23 Lafayette St., Brooklyn, N. Y.

Newman Publishing Corp.,
22 West 18th St., New York, N. Y.

Rust Craft Publishers, Inc.,
1000 Washington St., Boston, Mass.

Sbreve & Co.,
San Francisco, California

Stanley Manufacturing Co.,
Dayton, Ohio

Turner & Porter, Inc.,
49 W. Swan St., Buffalo, N. Y.

P. F. Volland Co.,
Joliet, Ill.

THE GREETING CARD ASSOCIATION, INC., 354 Fourth Avenue, New York

Scatter Sunshine with Greeting Cards

This seal is the emblem of dealers who sell cards made by members of The Greeting Card Association, Inc. It is attractive and dignified—in color, of course... Decalco-



mania form, easily placed on the glass of your window or door, to tie your store in with Greeting Card national advertising. If you are an Association dealer, write for it.

Exhibit 4: Trade paper advertisement used by Greeting Card Association.

the most serious handicap to the expansion of sales of the product. The early work of the Association, begun in 1918, had been directed primarily toward increasing the demand for greeting cards among consumers. A small amount of trade paper advertising, however, had been carried on each year together with specific dealer assistance in the form of retail display and tie-up material. When the steady advance in sales over the first seven or eight years demonstrated that the consumer advertising had taken effect in a satisfactory manner, more attention was devoted to the problems involved in retailing.

In 1920, for the first time, a sum of money was appropriated for use in supplying retail dealers with store helps. A list of stores to which such material was to be sent was compiled from names furnished by the manufacturers in the Association. It was held strictly confidential in the hands of the Association secretary and no member was permitted to inspect it. The size of the list, which rapidly expanded to 18,000, was looked on as unwieldy. By a check-up it was found to include many inappropriate names, some poor accounts, some dead accounts, and some prospects. At this time a letter was sent to each retailer on the list enclosing a return card and stating that if this card were not mailed to the Association, the retailer would receive no further material. The list was thereby cut to 10,000. During the course of each subsequent year it increased to approximately 15,000, but the Association annually revised it to the lower figure by sending out the same type of letter and reply card.

The Association made an effort to produce its dealer-help material in attractive form. In the earlier years only streamers and window cards were prepared, and these were furnished free to the retailers. Later there were devised additional pieces which were sold at or below cost on the theory that the retailer would make active use of what he paid for. The free material, in 1928, consisted of window strips, counter cards, and identifying emblems. The additional items which were paid for by the retailers had been extended to the following: posters, easels for window display, electrotypes for local advertising, lantern slides for presentation in motion picture theatres, and consumer booklets.

The first of these booklets issued in 1920 was entitled "Forget-Me-Nots" and contained space for listing dates to remember and names and addresses of persons to whom cards might be sent.

The second was "Greeting Cards—When and How to Use Them" and was commonly known among those associated with the campaign as the "Etiquette Booklet." Both of these pieces of literature had been reissued annually up to 1928. It was the opinion of the Association, however, that they might have outlived their usefulness and that new booklets were probably needed for variety.

The regular greeting card seasons were followed in announcing and mailing the dealer help material and the periods of largest sales were selected for the incidence of such promotional effort. In January, material was sent out not only in preparation for Valentine's Day but also for assistance in selling birthday and other so-called "everyday" cards. Promotional items for Easter and Mother's Day were mailed in March. In August and again in October the retailer received shipments of material bearing on Christmas and New Year sales. Of each of the free helps 15,000 pieces were printed, allowing for customary expansion in the Association's list of retailers.

With every shipment of free helps there was enclosed a letter informing the retailer of the additional pieces available at cost. One of these letters mailed to dealers in 1928 read as follows:

The biggest greeting card season of the year is just ahead of us. Everybody buys greeting cards at Christmas time. You can get the lion's share of this business by putting your Christmas greeting card displays in your windows as early as possible.

Tell the buying public to do its Christmas greeting card shopping early. They have a bigger assortment to choose from and more time to look them over.

And don't forget the electrotypes for your newspaper advertising and the lantern slide for your local moving picture theatre, illustrated on the next page.

P.S. We shall gladly continue to send you this profit-making display material but we do not want to send our helps to dealers who do not use them. Will you please fill in and mail the enclosed card? Thank you.

At intervals, retailers were sent a booklet on "How to Sell More Greeting Cards." It was revised periodically, and offered suggestions which were helpful in the retail sale of greeting cards and which had been tested in practical application.

Besides providing and promoting the employment of retailer advertising and display material, the Association attempted to

identify authorized stores with the movement. Other industries had found valuable some characteristic mark to be displayed by their retail outlets. In 1927, consequently, a round seal was devised by the Association which incorporated in its outer edge the extensively advertised slogan, "Scatter sunshine with greeting cards." The center of the circle was used to reproduce a postman proffering a greeting card from his sack of mail. At the bottom of the seal were imprinted the words "Association Dealer."

In the folder describing the 1927 spring helps the emblem was introduced under the headline "Enclosed in This Package is the Greeting Card Association's Emblem for Dealer Use." The remainder of the page was taken up by a reproduction of the seal and the following copy:

Every greeting card dealer should place this emblem where it can be seen by the public. It will be featured in the national advertising. Special advertisements will tell millions of people that the established greeting card dealer may be identified by this emblem. Therefore, you should by all means put it on your door or window without delay.

Directions will be found in the package.

BE SURE TO USE IT.

Extra copies of the emblem will be sent you on request.

In June, 1927, as had been promised in this letter, a special series of consumer advertisements was begun in exposition of the emblem's significance. One of the pieces of copy in that series reproduced the identification mark and explained:

This is the seal adopted by the Greeting Card Association. The members comprising the Association seek to employ the best artists, the best writers, the best minds to create their product, so as to enable you truly to scatter sunshine with Greeting Cards.

Perhaps not every merchant who sells cards manufactured by members of the Greeting Card Association will display this seal, but wherever it is shown you will find a complete assortment of Greeting Cards for all occasions—cards to meet social obligations promptly—cards to keep friendships warm.

Scatter Sunshine with Greeting Cards.

No attempt was made by the Association to force any retailer to display the emblem. It was hoped that consumer familiarity with the sign and preference for purchasing from the stores displaying it would impress its value on the retailers. It was

aimed particularly by this means to prevent diversion of sales to canvassers and box-assortment distributors. During 1927 and 1928, 20,000 of the emblems were placed in the hands of retailers.

Expenditure

The published figures for the cost of space in which the Association's consumer advertising had appeared were as shown in Exhibit 5.

EXHIBIT 5

ANNUAL SPACE COST OF GREETING CARD ASSOCIATION'S ADVERTISING IN CONSUMER PUBLICATIONS

1918.....	\$22,945
1919.....	18,979
1920.....	29,335
1921.....	23,566
1922.....	19,677
1923.....	36,000
1924.....	54,620
1925.....	59,310
1926.....	78,411
1927.....	73,746
1928.....	48,599

Source: Crowell Publishing Company, reprinted in "Experiences of Associations in National Advertising," April, 1928, Periodical Publishers' Association of America.

By the estimate of the secretary an average of \$20,000 a year had been expended since 1920 for retail selling helps. The expenditure in trade papers averaged around \$1,500 annually.

Results

Sales increases following the advertising and promotional program of the Greeting Card Association were generally regarded as outstanding among cooperative campaigns. References to that fact were plentiful among writers on cooperative advertising and among trade associations which were conducting similar campaigns or which were contemplating such action. Available figures for annual sales of greeting cards were only approximate. The Association did not compile and publish such a summary, because a number of its members were reluctant to reveal their individual figures except under the Association's arrangement for collection of subscriptions. Approximately 25% of the American production of greeting cards, furthermore, was attributable to manufacturers who were not members. Even estimates were not available for part of the period between the formation of the Association

in 1914 and the year 1928, but the general trend of sales for the entire industry (not merely sales of Association members) is indicated by the fragmentary group of figures in Exhibit 6.

EXHIBIT 6

ESTIMATED ANNUAL SALES OF GREETING CARDS IN UNITED STATES

1913.....	\$10,000,000
1920.....	34,000,000
1921.....	40,000,000
1922.....	45,000,000
1923.....	50,000,000
1925.....	55,000,000
1928.....	60,000,000

It was also stated by the secretary that sales in 1918, the first year in which advertising was conducted, were twice those of 1917.

The marked increase in sales, however, was only one of the improvements coincident with the Association's activity. Distribution of sales throughout the year was another. Prior to 1918, it was estimated that 90% of retail greeting card sales were made in the Christmas and New Year holiday season. By 1928, this figure had decreased to 70% of a much expanded volume of sales. The greeting card manufacturers were enabled thereby to operate on a less seasonal basis and to derive consequent economies in selling and production.

It was considered that the work among retailers had induced on their part more skillful display and selling as well as a higher plane of competition. Furthermore, group action among the manufacturers and the growing volume of sales had attracted the attention of Congress sufficiently to secure the passage of a 45% ad valorem duty under the Fordney-McCumber tariff of 1922 against cards of foreign manufacture. It was stated in December, 1928, that although importations of greeting cards had increased since this tariff had been in effect, it had operated to place competition between domestic and imported cards on a more even footing.

In spite of the fact that at the end of 1928 the objectives of the advertising and promotion might well have been considered attained, those directing the campaign felt that the opportunities of the greeting card industry had only begun to develop. Cooperative promotional effort was to be continued, although the forms in which it might be applied were not necessarily to be the same as those of previous years. It was the opinion of campaign executives in December, 1928, that the purchase of greeting

cards had become a habit with the public and that sales would continue to expand satisfactorily for a year or perhaps two years without the stimulus of consumer advertising. Certain elements within the industry even doubted whether advertising to consumers had been of any considerable effect in the expansion of sales, believing that the convenience and practical nature of greeting cards together with their display in stores and windows had accounted for most of the impulse in that direction. The appropriation for consumer advertising had been decreased in 1928 as compared with that of 1927. If the plan in view in December, 1928, were carried out, this type of effort was to be discontinued during 1929 and the funds available were to be used exclusively in work with retailers.

Retail distribution appeared to be most in need of improvement. Plans for the future included the maintenance of field representatives for the education of retailers. Experimentation, moreover, was in process on an ideal display facility. The development thus far had shown that in general racks were preferable to books for this purpose and that the best type of rack was constructed of metal with glass front. It was recognized, however, that there were limits beyond which the standardization in retail display could not be carried on account of the varying conditions among retail stores as to floor and counter space.

COMMENTARY: In this case we find practically the whole consumer advertising burden for an entire industry and a large part of the preparation of dealer display material carried on over a period of years as a group effort by the industry's association. From the inception of advertising in 1918 until 1928, the period covered by this case, sales of American-produced greeting cards expanded practically six fold from \$10,000,000 to \$60,000,000. Part of this increase in sales resulted from the impetus given to American production during the World War with the stoppage of importations, and subsequently from the imposition of a tariff protection. Part of the phenomenal growth undoubtedly came as the result of a usage trend which had its inception during the war period. A substantial part of the increase, however, must undoubtedly be attributed to the promotional efforts of the Association. Cooperative effort is especially deserving of credit for results, in view of the fact that during the war the Association acted quickly to overcome adverse propaganda and thereby popularized the use of greeting cards at an opportune moment. It will be the purpose of this commentary not to take up the many points of interest to be found in the

detailed procedure described in the case, but to discuss issues of broader significance concerning the application of cooperative effort to conditions such as obtained.

In greeting cards we have a product for which the only consumer advertising practicable is that which aims to stimulate a primary demand. An attempt on the part of individual manufacturers to create a selective demand through consumer advertising would be likely to prove ineffectual. This fact in itself probably explains why advertising by individual manufacturers in this field has been practically nil, even though the Association discouraged advertising to consumers by member companies. The frowning of the Association on advertising by individual members appears to me to have been without reason. Ordinarily a program of cooperative advertising by an association will be accompanied by programs of selective advertising by individual members, and this practice is not to be deprecated. As pointed out in the American Paint and Varnish Manufacturers Association case, selective advertising probably has some effect in stimulating primary demand. But in this situation it would not have been advisable for individual manufacturers to advertise their own greeting cards, for as noted above, advertising would not have been effective in creating for any of them a brand discrimination.³

The basis for the opinion just expressed lies in the fact that greeting cards are an extreme example of merchandise purchased by the consumer on the basis of personal selection at time of purchase. The purchaser is motivated entirely by his desire to select an appropriate card. His buying habit is to look over a selection of cards and take those which in design, verse, and general appearance most nearly meet his desires. There are no qualities outside of these, all of which he can judge at time of purchase, that would motivate him in the selection of cards. Since the purchaser is in a position to determine the qualities from inspection, brand as a means of indicating qualities would mean little or nothing.

The greeting card industry at the inception of this program and subsequently was made up of relatively small firms, no one or several of them being large enough to assume the task of stimulating the use of cards. It was entirely fitting that promotion of the use of cards should be made a cooperative effort by all firms.

Fortunately the character of the product and the needs which it filled were such that a cooperative effort aiming to stimulate demand was likely to bring immediate results. Advertising and promotional work could be expected to pay for itself as it went along. The unit

³ For a specific case which illustrates this point, see the case of the Colton Card Company, 5 H.B.R. 99.

price of the product was low with resultant small resistance to purchase. To accompany this low price were emotional and sentimental appeals of dynamic quality. Timely suggestion to send cards for various occasions was likely to result in increased sales. At the start of the program in 1918, when the manufacturers combined to combat harmful propaganda against the use of greeting cards, they were fortunate in having the emotional appeal for use of greeting cards in maintaining the morale of those in military service. The advertising message took hold quickly, and the wide use stimulated at that time started a trend which was especially helpful to the industry in the years that followed.

Accompanying the use of advertising was an appreciation on the part of manufacturers and of the Association of the great importance of proper display of greeting cards. Articles of small price, they fall in the class of impulse goods. To see them on display in a store is to suggest their purchase and use by the consumer. It is interesting to note that the Association included in its program the tasks of training retailers in selling methods and of furnishing a substantial amount of dealer display material. As noted in the last paragraphs of the case, the importance of proper retail display was increasingly realized as time went on. Wisely, I think, the Association efforts have been turned in the direction of more extensive work with retailers at the expense of advertising. Although it cannot be said that timely suggestion of the use of greeting cards through advertising is without effect, the same amount of money spent in securing better display and selling by retailers for a product of this kind is likely to bring larger results.

November, 1930

N. H. B.

IRISH AND SCOTTISH LINEN DAMASK GUILD, INCORPORATED
TRADE ASSOCIATION—LINEN DAMASK

COOPERATIVE ADVERTISING—*Adopted by Linen Manufacturers to Combat Sales Decline.* Because of declining sales, resulting from the competition of Czecho-Slovakian linen manufacturers and from a tendency toward style change in table linen, about 40 Irish and Scottish manufacturers of linen damask used for tablecloths and napkins organized a guild to undertake aggressive cooperative advertising of their product. The contributions of members were used to finance a comprehensive two-year campaign of trade and consumer advertising and sales promotion, employing such methods as advertisements in consumer and trade magazines; consumer booklets describing the uses of linen damask; advertising helps for retailers; and sales promotional workers to conduct lectures and special linen events in retail stores. The campaign resulted, the guild believed, in increased sales and prestige for its product.

SALES PROMOTION—*Effect of Fashion Trend on Success of Cooperative Advertising—(Commentary).* A guild of Irish and Scottish manufacturers of linen damask used for table linen undertook a comprehensive two-year campaign of trade and consumer advertising and sales promotion to combat a sales decline caused by Czecho-Slovakian competition and by a style tendency away from the use of linen damask table coverings. In the commentator's opinion, the success of this campaign in increasing sales and prestige of linen damask was largely due to the fact that a fashion trend toward the use of damask table linen again had set in.

(1926-1928)

For several years prior to 1926, sales of linen damask made by Irish and Scottish manufacturers and used for tablecloths and napkins had declined in the United States. The smaller volume of sales in this market was the result of increased competition from Czecho-Slovakian producers of linen, together with a style tendency toward the use of doilies and Italian runners for table coverings. In 1926, the Irish and Scottish manufacturers of linen damask tablecloths and napkins organized to combat the declining sales of their product in the United States. A campaign of advertising and sales promotion was projected, with the result that sales of linen damask tablecloths and napkins increased to such an extent that they were believed to be about twice as great in the early months of 1928 as in the same period in 1926.

Irish and Scottish manufacturers of linen damask produced fabrics of the highest quality. The products of these manufacturers were sold in the United States by selling agents located in New York. These selling agents sold direct to a few large retail establishments and to wholesalers of various types. Imported damasks encountered an ad valorem duty of 60%.

The principal competitors of the Irish and Scottish manufacturers of linen damask were Czecho-Slovakian manufacturers, who since the World War, had competed aggressively in the American market. Although their products were not believed to be of such a high quality as the Scotch-Irish product, the Czecho-Slovakian manufacturers had been particularly active in the development of new and attractive designs and colors. The Irish and Scottish manufacturers had chosen to retain conservative patterns and for the most part to continue the manufacture of fine-quality goods without emphasizing novelty in style. Linen fabrics manufactured in the United States were believed not to compete seriously with imported goods. In addition to increased direct competition, sales of linen had been decreased by a fashion trend toward the use of doilies, Italian runners, and other types of table coverings.

The principal retail outlets for linen damask tablecloths and napkins were the linen departments of department stores and specialty shops. Linens were bought by housewives and also frequently as gifts for young people about to be married.

Until 1926, the manufacturers and distributors of linen had continued to distribute their products entirely by the methods which had proved profitable before the war. They had made no efforts at aggressive promotional methods and had adopted no type of united action to combat the style trend away from linen damask. In 1926, however, leaders in the industry believed that aggressive cooperative advertising and promotional methods might improve the position in which the Irish and Scottish manufacturers of linen found themselves at this time. Accordingly, the Irish and Scottish Linen Damask Guild, Incorporated, was organized. The members of this Guild were manufacturers of linen damask in Ireland and Scotland. Over 40 manufacturers, representing more than 80% of the Irish and Scottish linen damask production, became members of this organization. American representatives, selling houses, and others in the United States

interested in the Irish and Scottish linen damask industry were invited to become associate members; the fee for such membership ranged from \$100 to \$1,000 or over, depending on how much the individual agent believed he could afford to contribute. The principal support of the Guild, however, came from the European manufacturers, who made contributions in proportion to their interest in the American market. These efforts resulted in the accumulation of a fund to be spent during the succeeding two years in the promotion of the sale of Irish and Scottish linen damask tablecloths and napkins. A comprehensive two-year plan, including trade and consumer advertising and other promotional efforts, was projected. The first advertisements of this campaign appeared in September, 1926. It was the object of the campaign instituted by the Guild to restore linen damask to the position of prestige which it had formerly held as correct table covering.

Each advertisement of Irish and Scottish linen damask tablecloths and napkins displayed a photograph of a table covered with a linen damask tablecloth appropriately set with napkins, silverware, glasses, and china. Every advertisement was built around the theme, "Linen Damask—impressively correct." The copy appealed to the motive of social achievement. Typical advertisements are included in Exhibits 1, 2, and 3.

The importance of obtaining the cooperation and support of retail outlets was realized. Sales of linen damask had fallen off, however, and it was believed that it would be difficult to convince retailers that sales promotional efforts on these products would be effective. Nevertheless, the cooperation of retailers was sought. Mats for newspaper advertising were offered free; counter cards and suggestions for ledge and window displays were prepared; and a number of attractive counter booklets and envelope stuffers were offered at cost to retailers.

In order to relate the activities of retailers to the work of the Guild, and in order to impress them with the importance of the campaign and the desirability of using the promotional material prepared, the Guild issued a monthly magazine, *The Linen Guildsman*, which it sent to a mailing list of 3,000 department store buyers and distributors of linen damasks. *The Linen Guildsman* described successful "Special Linen Events" conducted by retailers in conjunction with lectures sent out by the Guild;



THE PRACTISED HOSTESS IS CERTAIN

WHEN inviting guests to her dinner table, the hostess brings them close to the most intimate expression of her taste. It is her certainty, her intuitive sense of fitness in all the appointments of her table, that gives her entertaining an accomplished charm... While a white Linen Damask tablecloth with napkins to match is the unerring choice of every hostess, it is the practised hostess who is certain of the quality of her damask. The practised hostess knows that the weaves of Irish or Scottish origin offer an unapproachable elegance, a matchless texture and lovely satin-smooth sheen. She is certain, too, that in an Irish or Scottish cloth, the canny genius of Celt and Scot has provided her with the utmost in lasting beauty at prices more than moderate.

Authoritative Booklet on Table Decoration

THIS BOOKLET contains a foreword on table covering by Emily Post, author of *Etiquette*, the "Blue Book of Social Usage." The editor of one of America's foremost magazines has written descriptions of table settings and floral motifs. Profusely illustrated

with photographs, this booklet will be both an inspiration and an authentic guide to every hostess in setting her table with charm and correctness. Sent 25 cents to Department B-4, the Irish & Scottish Linen Damask Guild, 260 West Broadway, New York City.

LINEN DAMASK

TABLECLOTHS & NAPKINS

impressively correct

Exhibit 1: Advertisement used by Irish and Scottish Linen Damask Guild, Incorporated.

THE LOVELY WEAVES OF CELT AND SCOT



GUESTS CANNOT FAIL TO NOTICE THE TABLE COVERING... *Constantly* before the eye! *Continuously* subject to touch! Linen Damask is the correct table covering! Only the lovely weaves of Irish and Scottish tablecloths could have won such uncompromising approval of accepted social usage for Linen Damask. In such constant demand for centuries, the art of the damask weave has been brought to its highest refinement and the cost to you far

less than its reputation implies...SEND FOR THIS BOOKLET....Emily Post, author of "Etiquette", the Blue Book of social usage, has written an introductory chapter on table coverings. The editor of a leading magazine has written descriptions of table settings and color combinations. Complete information for the hostess. Sent on receipt of 25c. Address Dept. 00, The Irish & Scottish Linen Damask Guild, Inc., 260 West Broadway, New York, N. Y.


LINEN DAMASK
TABLECLOTHS & NAPKINS
impressively correct

Exhibit 2: Advertisement used by Irish and Scottish Linen Damask Guild, Incorporated.

THE SECRET
of the ATTRACTIVE TABLE



"My dear—what a charming table"

 IN the mellow glow of caudlelight, how often the first sight of the table brings forth a little exclamation of spontaneous delight from the guests! Here on the table seems to dwell the same taste, the same winning charm that pervades the whole home.

To the hostess who gives her table this instant winning beauty, there is one thing more prized, more warmly esteemed, than any other detail. It is the cloth of matchless sheen, soft to the touch, giving subdued sparkle to silver

and crystal—the cloth of Irish or Scottish linen damask. Always the choice of the hostess who delights in the thrill of arranging her table, tablecloth and napkins of linen damask are the secret of the attractive table.

'Bring New Beauty to Your Table

'We Dine on Linen Damask' is a book that can be a constant source of valuable suggestion for the setting and decoration of your table. Send 25c to The Irish and Scottish Linen Damask Guild, Inc., Dept. 12-J, 260 West Broadway, New York City, N. Y.

LINEN DAMASK
TABLECLOTHS AND NAPKINS
impressively correct

IRISH AND SCOTTISH LINEN DAMASK GUILD
Dept. 12-J, 260 W. Broadway
New York, N. Y.

Name _____

Address _____

City _____

State _____

Exhibit 3: Advertisement used by Irish and Scottish Linen Damask Guild, Incorporated.

it illustrated attractive window displays of linen damask which had been used by various retailers; and it showed effective advertisements of linen which had been run by retailers. The magazine described in detail the advertising efforts of the Guild, and contained news of interest to linen damask retailers. In a further effort to impress the trade with the importance of the Guild's efforts and with the possibilities of profitably increasing linen sales, the Guild ran advertisements in leading trade magazines reaching retailers and wholesalers.

In order to provide a background of prestige for linen damask as a table covering, the Guild prepared an attractive booklet describing linen damask and picturing its various uses on the table, with a foreword written by Emily Post, the well-known author of *Etiquette*. This booklet, attractively bound and printed on paper of high quality, was offered for 25 cents in every Guild advertisement.

Three sales promotion women were engaged to conduct lectures and special linen events in retail stores. One operated in the far West, one in the Middle West, and one along the eastern coast.

The object of all these efforts directed at the trade was to induce retailers to cooperate with the work of the Guild, by displaying linen damask in windows, by advertising their linen departments in newspapers, by making use of the Guild lecturers and the Guild display material, and in general by aggressive marketing of linen damask. The preparation of each itinerary involved difficulties because the leading stores in a town competed with each other in the desire to be the first to sponsor such a promotional program. The Linen Guild, however, found that these difficulties could be overcome diplomatically. It was possible to point out that, when the special lecturer of the Guild's educational department visited a town a second time, the interest aroused by her previous appearance in one store invariably had increased to such an extent that other stores in the town benefited; often the last store to sponsor the educational program for linen damasks secured the interest of the largest number of potential buyers. The lecturer was sent first to that store in a city which showed the greatest interest and the greatest inclination to work with the Guild. All talks were scheduled by the Guild secretary, who had exclusive control of routings. In this way, Guild members, salesmen, and execu-

tives were enabled to avoid controversies with their individual retailers.

Every effort was made to see that the lecturer's visit, which usually lasted three days in each store, was used not as an excuse for cut price sales but as the nucleus for a promotional program. During the special linen events, exhibits of attractive and appropriately set tables using the linen found in the individual store were held, and the sales promotion woman spoke on various phases of table decoration related to the use of linen damask tablecloths and napkins. Stores cooperated by announcing the lectures and the exhibits in the daily newspapers and by preparing window displays of linen goods. The stores frequently made arrangements for the lecturer to address women's clubs or other organizations in the city where the demonstration was held. While at the store, the sales promotion woman gave special talks to the selling force of the linen department, describing ways of selling linen damask.

Members of the Guild placed a small label bearing the slogan of the Linen Damask Guild, "impressively correct," on napkins and tablecloths made by them, in addition to the label of the individual manufacturer or selling agent. Each individual member engaged in such other advertising and promotional activities as he deemed to be profitable. Four members of the Guild engaged consumer advertising space during the period of the cooperative campaign.

During the period from September, 1927, to March, 1928, the Guild ran the following schedule of advertising: *Ladies' Home Journal*, four half pages; *Better Homes and Gardens*, four two-thirds pages; *Vogue*, *Vanity Fair*, *House & Garden*, four full pages in each; *House Beautiful*, four pages; *Modes and Manners*, four pages; *Junior League Bulletin*, four pages; *New Yorker*, five pages. The trade advertising during this period consisted of two double-page spreads in both the *Dry Goods Economist* and the *Dry Goods Merchants Trade Journal*.

By March, 1928, at the end of the first year and a half of advertising, over 16,000 inquirers had sent 25 cents each for the booklet offered. Members of the Guild believed that the campaign had increased the prestige of Irish and Scottish linen damask tablecloths and napkins. Actual sales figures from the various members of the Guild were not available, nor were government

import figures segregated in a way to afford clear evidence of results attained. An estimate of the Guild's secretary, however, indicated that sales of Irish and Scottish linen damask tablecloths and napkins in the first few months of 1928 were about double the sales in the same months of 1926.

COMMENTARY: In this case we find evidence of a substantial increase in demand for a product taking effect after the advertising and promotional program had been under way some months—always a most gratifying state of affairs for association secretary, advertising agent, and association members.

According to the statement of the case, sales of damask linen in the early months of 1928 were believed to be twice those of the same months of 1926. To attribute this marked change in the state of affairs entirely to the promotional program undertaken, however, would give too much encouragement to the advertising enthusiast. Advertising did its part, but there is that to be found in the situation which leads me to believe that the same advertising and promotion, undertaken some time previous to the date when it was actually started, would have produced results woefully disappointing. The case is of special interest because it raises clearly the question of likelihood of promotional success in relation to trends which operate for or against sales of a product.

Linen damask was subject to a fashion trend. For a considerable period the Irish and Scottish linen manufacturers had suffered a decrease in sales of damask because of the fashion, followed especially in the equipping of brides, of using doilies and small cloths of various sorts for table service in place of large tablecloths and napkins. The objective of the cooperative campaign undertaken by the Irish and Scottish Linen Guild was given as that of restoring the former prestige of damask as correct table covering.

Admitting the strength of the appeal which might be made for damask through holding forth the idea of the damask-covered table as "impressively correct" and thus stimulating the desire of housewives to follow proper social usage, I question whether the modest advertising effort and the other promotional work adopted would have had much effect, but for one reason: the fashion trend, which had been operating against damask, had apparently run its course and a trend towards its use had set in. If fashion, that peculiar phenomenon whereby a substantial part of the social group follows a common or similar usage, had been strongly counter to the use of damask—in other words, if the use of small cloths had been correct through the dictates of fashion—then paid advertising space would have had little effect in bringing about sales. But, with a tendency present for a growing number of

brides and housewives to favor damask anew, the advertising apparently took hold, helped to speed up demand, and gave the appearance of great effectiveness.

The situation may be contrasted with other cooperative promotional efforts in which the cooperators face a strong adverse trend of popular demand. Now it would be futile to say that, because an industry has been suffering from adverse fashion or use trends, it should sit supinely by and not put forth effort to battle those adverse trends with sales promotion of various types. Undoubtedly in many instances it would be well to give active battle, in print and through aggressive promotion, against habits or attitudes which run counter to the demand for the products of an industry. What I wish to stress, however, is merely the necessity in such cases of full appreciation on the part of an association and its members of the forces against which they have to operate and the difficulties to be met in trying to change human habits and attitudes through advertising and sales promotional methods. It is axiomatic and almost trite to say that it is easier for a merchant to operate with rather than against a trend. If it is futile for an individual merchant to advertise or attempt to sell in opposition to a trend rather than to adjust himself to it, then it may be equally futile for a group of persons or an industry so to do; that is, provided the trend is the result of forces which can be overcome by advertising or promotion, either not at all or at too great a cost to be practicable. If a retreat is in order or a modification of product to meet new desires is called for, then such procedure should be followed; the flaunting of some abstract idea in advertisements, which is supposed somehow, willy-nilly, to save the industry, should be avoided. An association of carriage manufacturers, for example, would have accomplished little through advertising the desirability of the horse and buggy, no matter what appeal was held forth, after the advent of the automobile. Those who were alert became automobile manufacturers or turned to other lines.

If an industry produces a commodity which is subject to fashion trend or which finds itself injured by some change in living habits or through the advent of new technological developments, then it should recognize what can and cannot be economically done in the overcoming of such trends through advertising and publicity.

In this case I believe that the Irish and Scottish Linen Guild was fortunate to undertake advertising when a fashion trend in favor of the product had set in. In the years just previous, it would have been wise for the manufacturers to have studied the trend of usage in this country for table covers and to have adapted the product of their looms to meet the desires of housewives. Resultful advertising ordinarily is that which follows good merchandising; *i.e.*, it exploits products or services which have been adapted or fashioned to meet

consumers' desires. Advertising which is given the task of shaping consumers' tastes or of attempting to prevent them from turning in adverse directions assumes a heavy burden and is not likely to produce results so great in proportion to expenditure as is advertising which stimulates desires already aroused through some chain of events, whatever it may be.

Advertising is one of the forces which help to mold people's viewpoints and habits. Much has been said both by proponents and by opponents of advertising of its effects in changing social habits. This generalization, however, does not contravert what I have said in preceding paragraphs. When we come to specific expenditures for advertising, a profitable relationship between results effected and expenditures made must be sought. The cost ratios for different products, even though they can be ascertained with little exactitude, must stay within certain limits if the advertising is to be justified. Accordingly, every program of advertising must be appraised, however roughly, in the effort to find an answer to the question, "Will this expenditure eventually be justified through bringing about increased sales?" If the expenditure produces results at too great a cost, it cannot be justified, whether it is undertaken by an individual manufacturer or by an association. In some instances, a group of manufacturers acting in concert can carry on primary demand promotion that individual manufacturers could not afford to undertake; from this we cannot reason, however, that a group should indiscriminately launch upon advertising programs to build up primary demand. The program undertaken should be subjected to the same scrutiny and judged by as rigorous standards as the program of the individual manufacturer. If it appears that the forces against which the advertising has to operate are such that the expenditure cannot effectively accomplish the results desired, then the program should not be undertaken. If basic changes in manufacturing and merchandising policy need to be effected within an industry, then advertising should not be relied upon as a corrective force.

Inasmuch as the Irish and Scottish Linen Guild had evidences of a fashion trend in its favor, it could enter upon advertising and promotion with hope of effective results.

January, 1931

N. H. B.

NATIONAL SHOE RETAILERS' ASSOCIATION

TRADE ASSOCIATION—SHOES

COOPERATIVE ADVERTISING—*Campaign to Increase Consumption of Product with Declining Trend.* Disturbed by the decreasing consumption of men's shoes in the United States, which over a 20-year period had shown a declining trend, a national association of shoe retailers decided to conduct a national advertising and sales promotional campaign to increase sales. The reasons advanced for the decline were such factors as: less walking; sturdier construction of shoes; diversion of purchasing power to purchase of other commodities; and indifference on the part of men to the condition of their apparel. The campaign was carried on in the following forms: educational work among retailers to improve their selling methods; dealer helps, letters, and other material soliciting retailers' support of the campaign; and consumer advertising in national magazines, using an appeal which attempted to increase men's appreciation of the place of shoes in their apparel.

(1928)

Disturbed by the decreasing consumption of men's shoes in the United States, the National Shoe Retailers' Association at its meeting in July, 1927, voted to conduct a national advertising and sales promotional campaign in an effort to correct the situation.

Inception of the Campaign

In 1926, the Boot and Shoe Manufacturers' Association had developed an extensive plan for the stimulation of the sales of men's shoes, whereby the shoe manufacturers were to furnish funds for an advertising campaign and give retailers the necessary supplementary material for local tie-up with the advertising program. Sufficient cooperation, however, could not be secured within the necessary period to make the campaign a success.

In 1927, shoe retailers were still interested in attempting to combat the trend toward reduced consumption of shoes by men. With the example of the manufacturers before them they drew up a new plan which provided for the participation of all of the elements in the industry. An advertising agency was retained which

was thoroughly acquainted with the shoe business. The preliminary details were worked out hastily and submitted to a committee of the Association. The plan was approved and in operation by August 20, 1927.

Raising of Funds

The raising of funds constituted the first step in the campaign. The industry was divided for subscription purposes into three groups: retailers, manufacturers, and allied trades. The allied industries comprised the tanners and the producers of accessories in the manufacture of shoes. The goal was set at \$4,000,000 to be expended over a period of four years. In similar cooperative campaigns of other industries a tendency had been observed toward loss of interest after a campaign had been in operation for several months. It was planned, therefore, to set the goal at the inception of the campaign and allow the advertising a reasonable period in which to prove its worth. The figure of \$4,000,000 was considered none too large for the size of the industry and it made, furthermore, a mark at which the industry might aim.

The retailers were called on to contribute during each of the four years a sum equivalent to $\frac{1}{2}$ of 1% of their 1927 sales of men's shoes, with the minimum subscription set at \$75 a year. The manufacturers were expected to subscribe annually $\frac{1}{8}$ of 1% of their 1927 volume of sales of men's shoes.¹ Since the allied industries were more remotely connected with the campaign, it was decided to wait until the actual advertising had started before making a concerted effort toward securing their financial contributions.

The subscriptions were secured in the form of trade acceptances due every six months for the four-year period. At each due date these acceptances were to be forwarded by the trustees of the

¹ As a basis for campaign subscriptions, the executives assumed the normal annual volume of shoe sales at retail to be about \$1,500,000,000, of which roughly \$300,000,000 were of men's shoes, \$600,000,000 of women's, and the balance of miscellaneous classifications. The normal relation between the manufacturer's selling price and that of the retailer was set at two to three. Both estimates were based on knowledge gained from twenty years' or more experience with the shoe industry and were considered sufficiently accurate for the purpose.

On these assumptions, the potential annual contributions from manufacturers and retailers were figured at \$1,750,000: $\frac{1}{2}$ of 1% of \$300,000,000 at retail, amounting to \$1,500,000, plus $\frac{1}{8}$ of 1% of \$200,000,000 at manufacturers' prices, or \$250,000. Over four years this potential support would amount to \$7,000,000, but it was not anticipated that every prospective subscriber could be persuaded to join. The cooperation of the smaller retailers as a whole was considered especially doubtful.

fund to the subscribers' banks for collection. This method was considered to have several advantages. It insured the fund a four-year duration; it provided for collection at a minimum cost; and it made more certain the payment of each periodical sum as it came due. Each subscriber, furthermore, was thereby solicited only once.

For the administration of the fund, which was designated "The National Advertising Fund of the National Shoe Retailers' Association," a trust agreement was drawn up with a Boston bank named as trustee. No disbursements were to be made by the bank without the signatures of two members of the Executive Advertising Committee of the Association and the countersignature of the advertising agency. Semiannual audits were made by the trustee.

The raising of funds was under the supervision of two committees of the Association. The Ways and Means Committee was actively responsible for this section of the work. State committees composed of members of the Association were formed to promote the campaign locally. For those subscriptions which were not received in answer to preliminary appeals by mail, solicitation of retailers was carried on through field workers.

The extent of the task involved in the financial phase of the campaign is indicated by the fact that there were in the United States in 1927 approximately 30,000 retail outlets for shoes and about 300 manufacturers. The tanners, however, were few in number and strongly organized.

Administration of the Campaign

The supervision of the campaign as a whole was lodged in the Executive Advertising Committee of the National Advertising Fund, consisting of three members, one each from the retailer, manufacturer, and allied groups. This committee was supplemented by the Advertising Advisory Committee drawn from the advertising executives of the several groups. A third committee, designated the Plan and Scope Committee, was designed to provide a liaison between the subscribers and those in charge of the campaign. The advertising agency was in immediate charge of all the work, the planning and supervision of the fund raising as well as of the advertising and promotion.

Objectives of the Campaign

Figures derived by the National Shoe Retailers' Association, reproduced in Exhibit 1, indicated that the per capita consumption of shoes by men in the United States had been declining over a 20-year period. During the same period the Association was assured that the consumption of women's shoes had shown an opposite tendency.

EXHIBIT 1
PER CAPITA CONSUMPTION OF MEN'S SHOES IN THE UNITED STATES

	Male Population in Millions	Men's and Boys' Pairs Produced in Millions	Per Capita Consumption
1899	28	88	3.7
1904	33	104	3.5
1909	37	116	3.0
1914	40	120	3.0
1919	42	121	3.0
1921	43	87	2.0
1922	44	110	2.5
1923	45	122	2.7
1924	46	104	2.3
1925	47	107	2.3
1926	48	107	2.2

Source: Derived by National Shoe Retailers' Association from industrial and governmental statistics.

Several reasons were advanced in explanation. The increase in the use of automobiles had led to less walking. Well-cleared streets permitted the wearing of low shoes throughout the year, so that fewer pairs were required for the average wardrobe. It was believed also that perhaps the sturdier construction of men's shoes compared with that of earlier years gave shoes a longer period of satisfactory service; improved facilities for shoe repairing had accentuated this factor.

Two main reasons, however, were also advanced by those who had made a careful study of the situation. It was thought that the purchasing power which formerly had gone into shoes was being diverted to the purchases of other commodities. Men, furthermore, were considered to have become indifferent to the condition of their apparel in general, and in particular to that of

their shoes. A program of national advertising and of selling efforts by retailers might be expected to educate men to a proper sense of appreciation of their shoes and to retrieve some of the loss of the consumer's dollar resulting from the inroads of other commodities, many of which had been aggressively advertised.

The retailer was made the focus of the campaign, aside from the consumer advertising. Since his was the last link in the system of distribution he could most effectively influence the consumer's action. It was believed, furthermore, that the retailer was suffering from deficiencies which might be eradicated through education. The average retailer, in the opinion of the campaign executives, did not employ effective sales methods. His accounting records were frequently inadequate. He did not exercise sufficient discretion in budgeting his purchases, so that he might have the necessary styles and sizes in stock at all times without subjecting himself to undue loss from style obsolescence or from "clear-outs" of end sizes. He frequently had money invested in excess stock of particular lines which might have been better used in financing his business.

To correct this situation a man was secured who had had 20 years of experience with a large shoe manufacturer in educational work with retailers. He was to write a bulletin every month containing pertinent suggestions for the improvement of retail methods. He was, furthermore, to visit the retailers where his services were desired, and in general to direct that part of the campaign which dealt with the retail outlets.

A further essential need of the retailer was believed to be more extensive local advertising. The advertising fund was to assist the retailer on this score by furnishing advertisements in matrix form, which could be inserted in newspapers with the addition of the retailer's name.

Aside from improvement of retail marketing methods, expansion in the sales of men's shoes was conceived to depend on the force of national advertising directed toward the stimulation of consumers.

The objectives of the campaign then were these:

- a. Education of men.
- b. Education of retailers.
- c. Improvement in the spirit of the shoe industry as a whole, which had not previously worked in close harmony.

The attitude of those in charge of the campaign may be derived from a statement in the plan book which was sent to retailers at the beginning of the drive.

Seeing per-capita consumption of men's shoes decrease from nearly three pairs per year, in 1904, to little over two pairs at present might arouse suspicion that changing economic conditions had relegated this commodity to its bare utility function as an indispensable foot-covering, and that its function as a logical style-embellishment of men's attire was forever lost. But careful analysis shows this is not true.

The men of today want appropriate and attractive shoes; they can afford to have them—in the proper quantity. They will buy them, if reasonable and united effort to induce them to buy is made. They will accept sane reasons for enlarging their shoe-buying capacities, if those reasons are sanely and firmly and attractively presented to them.

It is this that the four-year cooperative advertising and local merchandising campaign has been organized to accomplish. It is steering a straight course toward rehabilitating the men's shoe business.

The four-year campaign is going to take careful account of the real causes for the decreased consumption of men's footwear. It is going to dig deeply into the various mental attitudes of men toward the buying of shoes. It is going to consider what the present-day demands of all kinds on men's incomes are—and see why it is that men are sacrificing neatness and nicety in dressing their feet in order to spend their money for other things.

Then, through the national advertising in the pages of the great magazines, and through the various Local Dealer Advertising Helps which are a vital part of the four-year program, this great campaign will prove to men that they ought to increase their shoe purchases.

Preliminary Efforts

The first effort of the campaign was directed toward securing the interest of the retailers. As soon as the plans had been approved, a plan book of 19 pages entitled "Let's Double the Men's Shoe Business!" was mailed to all retail shoe stores. It described the campaign and its objectives, stated its cost, and informed the retailers of those who were expected to participate. Diagrams were included showing the successful consummation of other cooperative advertising programs. The state committees were listed and a group of endorsements quoted over the names of the state chairmen. The book was designed to be a first and

powerful effort to stimulate the retailers to activity. Following its issue, personal calls were made by the field agents on retailers.

During the fall of 1927, four numbers of a news sheet entitled "National Advertising Campaign News" were mailed to the retailers, having as their object the continuation of the enthusiasm aroused by the plan book. These reported the progress of the campaign, described the dealer helps which the committee was to make available, and contained editorials and articles promoting membership among retailers.

A folder was also sent out during the fall picturing on its front page the president of the National Shoe Retailers' Association and giving his indorsement of the campaign. On the inside of the folder was quoted a reprint from the *Boot and Shoe Recorder* of May 21, 1927, entitled "Shoes vs. Everything" and showing the need for cooperation in the industry.

Each subscribing retailer was given a certificate of cooperation which he might frame or otherwise display in his store. It read as follows:

This is to certify that _____ of _____ has cooperated with the shoe industry and has contributed to the support of this Association's work in educating the men of America to a better appreciation of their footwear needs. This certificate is given as a mark of this store's high standing in the industry.

In addition, a decalcomania store emblem was furnished to be affixed to the retailer's window as a further identification with the movement.

In January, 1928, the plan was presented to the manufacturers and a definite effort made to secure their full support. Each manufacturer was sent a three-page multigraphed presentation, which varied in its appeal from the literature sent to retailers and stressed the manufacturers' share in the support and rewards of the campaign.

A folder also was sent to the entire membership of the National Shoe Travelers Association in an effort to secure the cooperation of manufacturers' salesmen. Other mailings were also sent out to the various interested branches of the industry.

As soon as the collection of funds was well under way, the committee began issuing its Merchandising Bulletins which were sent at periodical intervals to the retailers. These were written by the expert in shoe store retailing, previously mentioned, who

had been secured as chairman of the Plan and Scope Committee. The first one, entitled "Six Times Seven vs. Seven Times Eight," made an effort to convince retailers that a slight increase of effort on their part to secure additional sales would result in a greater proportionate increase in their profits. The second was entitled "Advertising—2% or 3%" and indicated the value of additional local advertising and retail sales effort. Subsequent bulletins which were to be issued at intervals throughout the entire campaign discussed similar topics.

The allied industries, although conceived as an integral part of the campaign, were approached during this early period only indirectly. It was anticipated that their interest could be aroused more effectively after the inception of the actual advertising.

By September 1, 1928, about a million dollars had been subscribed for the four-year period. It was expected that the momentum already gained, in addition to the further stimulus of seeing the advertising in print, would carry the fund much closer to its goal. It was felt that the spirit of the industry in regard to the campaign had improved considerably during the year since activities had begun.

By September 1, 1928, the details of the advertising had been drawn up, the first two insertions contracted for, and the bulk of the dealer helps prepared. A broadside was then sent out announcing the beginning of the campaign. It contained a reproduction of the first national advertisement, illustrations of campaign material available free to subscribers, and Merchandising Bulletin No. 3 entitled "Getting Results from the National Advertising." With it were sent a letter from the committee, an order blank for the various sales helps offered, and a post card addressed to *Vanity Fair* magazine requesting a display card of the advertisement which was to appear in its October issue.

The list of dealer helps together with the terms under which they were offered follows in Exhibit 2. It will be noted that, in order to avoid indiscriminate application for supplies which were not needed, a charge was made for more than a specified number of some of the items.

Copy Appeal

The advertising agency and the committee considered several copy approaches. That termed the "halitosis" appeal, or one

designed to produce an inferiority complex in the reader, thought to be favored by some retailers, was discarded as unwise. Another possibility which was not received with favor was the dictatorial type of copy, telling the reader in so many words that he must have six pairs of shoes to be well dressed.

EXHIBIT 2

DEALER HELPS OFFERED BY NATIONAL SHOE RETAILERS' ASSOCIATION

REPRINTS OF OPENING ADVERTISEMENT	14 × 22, four colors on good paper. Twenty-five copies free to each subscriber. Additional copies 3 cents each.
GIANT REPRODUCTION OF OPENING ADVERTISEMENT	25 × 38, on heavy paper for background window display. One copy free. Extra copies 50 cents each.
CUT-OUT PRICE TICKETS	Set of six cut-out reproductions of well-dressed men, 5 × 1 inch, easel back. One set free. Extra sets 40 cents per set.
GIANT CUT-OUT PRICE TICKETS	Same as above, 10-inch size. One set free. Extra sets 50 cents per set.
VANITY FAIR DISPLAY CARDS	Reproducing opening advertisement on attractive heavy display card. None sent except upon order of an enclosed post card.
TRANSFER WINDOW SIGN	Reproduction of Campaign Insignia to attach to window. No charge for extra copies.
EASEL WINDOW SIGN	Handsome bronze card 4 × 8 inches, easel back, with Campaign Insignia and Slogan. One sign free. Extra signs 35 cents each.
CAMPAIGN LAPEL BUTTONS	Neat enameled in green and silver. One free. Extra buttons 25 cents.
ELECTROS OF CAMPAIGN INSIGNIA	1 inch Three sizes 2 inch Specify size. No charge. 3 inch
MAT FORM OF SIX MEN	For use in preparing local advertising. Size 5 × 1 inch. No charge.
MAT FORM OF NEWSPAPER ADVERTISEMENT	See book for size and copy. Order by number.
MERCHANDISING BULLETIN No. 1	"Six Times Seven vs. Seven Times Eight." Extra copies free.
MERCHANDISING BULLETIN No. 2	"Advertising—2% or 3%." Extra copies free.

Poster copy in which large reproductions of shoes took up most of the space was thought to be favored by some retailers but was deemed to be poor advertising. It was possible that this method might be used sparingly. It was intended also to employ the dramatic appeal to some extent.

The fifth type of copy considered and the one which was approved for the opening advertisement was based on a straight style appeal, implying rather than stating that a man should have six pairs of shoes. It attempted to educate men to a better appreciation of the place of shoes in their apparel rather than antagonize them by unwanted, direct advice. It was expected that this appeal would arouse the interest of consumers without irritation and that this type of copy would prove most acceptable to the trade as a whole. A number of different appeals, however, were to be used later in the campaign. Those in charge expressed the opinion that a "shoe consciousness" on the part of consumers would not in all probability be quickly induced. They were of the opinion that, in order to be a success, the campaign must be given time to allow its continued educational appeal to penetrate. The campaign copy was deliberately chosen to coincide with this conception of the objectives.

Mediums

The selection of mediums was the next problem. The first advertisement, reproduced as Exhibit 3, was a double-page spread in color. It appeared in the *Saturday Evening Post* of September 22, 1928, and the October number of *Vanity Fair* which was released at about the same time. The *Saturday Evening Post* was chosen because of its very wide circulation and because it was considered to be unique in the strength of its advertising appeal, being followed by numerous of its readers chiefly for its advertisements. Although in October the advertising schedule had not been planned past the end of that year, it was intended later to return to the use of the *Saturday Evening Post*.

Vanity Fair was selected as the leading men's magazine so far as styles of clothing were concerned. A trend had been observed for new styles in shoes to originate in the East and to pass westward. It was hoped that the influence of advertising in this medium might affect men in the higher-income groups in metropolitan areas, and from there filter down into smaller and more remote centers. Because of its style leadership, furthermore, a great many retail store buyers of men's shoes were thought to read *Vanity Fair*.

For each of the last three months of 1928 it was planned to use one full page in color: for October, in *Collier's*; November, in



The well dressed man selects his **SHOES** by these six basic rules

There's a blithesome, buoyant feeling of self-confidence that buckles a man up when he knows he is right . . . and looks the part!

Next time you start to put on a pair of shoes, stop and think how they'll look with the suit you are wearing. Remember these six long-established principles of good taste and good usage in men's apparel . . . which simply mean that always the best shoes for you are the shoes that go best with the clothes you wear and the things you do. To-day the well-dressed man stands on a foundation of correct footwear.

Common-sense reasons based on custom, style and comfort make this the season when men turn to wearing felt hats, heavier suits and autumn-weight footwear. In selecting your own fall and winter shoes, let these six national axioms, illustrated below, be your guide. Consider what GENERAL TYPES of footwear will be most useful to YOU.

Then let shoe-prices and patterns please your personal whims. When you do this you will begin to get the utmost in dress-value, service and satisfaction out of whatever shoes you buy . . . wherever purchased.

This bulletin is authoritative . . . one of a series based on a national study of current custom among the well-dressed men of America. It is published and sponsored by the Combined Shoe, Leather and Allied Industries in collaboration with the National Shoe Retailers Association. EXECUTIVE ADVERTISING COMMITTEE, 14th FLOOR, 260 TREMONT STREET, BOSTON, MASSACHUSETTS

Don't wear the same pair of shoes every day. Change about. When shoes get a chance to dry out between wearings, they keep their shape better, feel better and render longer service.

Try changing from daytime shoes to another pair for evening. Even the slight differences between two pairs of the same last and size will have a surprisingly restful and beneficial effect.

Follow this advice and you will get the utmost out of your footwear in comfort, economy and pride of appearance.



FORMAL SHOES LOOK BEST with formal dress. Carefully there are an exception to this rigid rule of etiquette: purely "fancy" and "sport" shoes (especially patent leather) should be worn with tuxedos on full evening dress.

PLAIN-PATTERN SHOES LOOK BEST with conservative clothing. Shoes of any smooth-finish leather (black or tan) look best with smooth-finish fabrics. Do not wear heavy shoes of "daddy" design with suits of this, line-sewned wear.

BLACK SHOES LOOK BEST with dark clothing, with hats and all but the lightest shades of gray. The lighter shades are best for summer time, and the heavier shoes for wet and wintry weather. Wear black shoes always in the evening.

TAN SHOES LOOK BEST with shades of the lighter shades, with all the browns, and in daylight. For reasons of style, common sense, and comfort the heavier weights come into vogue with the felt hats and heavier suits of autumn.

FANCY-PATTERN SHOES LOOK BEST with woolly fabrics. Baggy and other standard fancy patterns go well with heavy suits, heavy weather or high old class in the open air. Novelty patterns go best with youthful legs and young ideas.

SPORT SHOES LOOK BEST with clothing comfortable and appropriate for out-of-the-city recreation. For general playtime wear men are offered shoes unlimited range in their choice of general footwear that's smart and practical.

SHOES MARK THE MAN

Retail stores which display this emblem are leaders in this national service to their patrons and the shoe industry . . . You may depend upon them always for honest values and



up-to-date business methods. For authentic style and modern craftsmanship in shoemaking. Consult these shoe merchants for correct dress in footwear as well as for correct fitting.

Exhibit 4: Second advertisement used in magazine campaign of National Shoe Retailers' Association.

Liberty; and December, in the *American Magazine*. These were chosen as being national magazines of large circulation which would reach the desired market. The second piece of copy, scheduled to appear in *Collier's* for October 27, 1928, is presented as Exhibit 4.

The influence of women on the purchase of men's shoes was considered to be sufficiently important to warrant advertising in women's magazines later in the campaign.

Newspapers were not employed as a medium by the central committee. An effort was made, however, to persuade the retailers to extend their own local advertising. In this way, not only was the cooperative fund relieved of a considerable expenditure, but the retailers who responded were expected to receive greater stimulation from their own effort in the campaign.

Radio broadcasting and moving pictures were taken into consideration and were suggested as prospective mediums in the plan book sent out in September, 1927. Plans in regard to their use, however, had not crystallized by October, 1928, although they were still held in mind as future possibilities.

Space and Color

Double-page spreads were selected for the two opening advertisements for their superior attention value. It was expected to reach a larger percentage of readers by this means and to stimulate at the outset a maximum of interest on the part of consumers. The three succeeding advertisements during the balance of 1928 were to occupy single-page space, on the assumption that the attention value secured would still be large and that the expenditure for continued use of double pages would not be warranted once the advertising was under way.

The use of color was not only designed to secure additional attention but permitted the reproduction of shoes and clothing in their actual state. This was deemed essential in that the copy appeal was designed chiefly to educate men in the proper combination of their shoes with the rest of their clothing.

Additional Material

A booklet was under preparation in October, 1928, which was designed to be mailed to consumers who sent inquiries concerning the advertising.

The assistance of the campaign committee to the retailers was continued and expanded after the advertising was started. The several pieces of tie-in material were expected to be used by the retail subscribers in identifying their stores with the campaign and thereby securing the benefit to which they were considered entitled as financial backers. Since only the stores which had contributed could make use of the campaign insignia and material, a considerable leverage was available for bringing into the movement retailers who had not yet joined.

For the education and assistance of the retailers the committee continued to mail its periodical Merchandising Bulletins. It expected to complete and mail in November a book on *Shoe Store Merchandising*. It was also working on a new and effective stockkeeping record system which it planned to send out in December as a good influence toward a right start in 1929.

Results

Late in October, 1928, only three advertisements had appeared. Little indication of results, therefore, was obtainable. The chief evidence of the success of the campaign at that time was a number of letters of commendation from retailers. The appraisals included in these letters were, in general, inconclusive since the campaign had only just begun and enthusiasm might naturally be assumed to have been at a high point. Nevertheless, executives believed that if this attitude on the part of some retailers represented the consensus of the majority, a step had been made toward achieving the campaign objectives, since one of the two chief aims of the campaign had been to arouse a more aggressive attitude on the part of the retail group.

Most of the correspondents stated that they had used effectively the tie-up material offered and a number of them enclosed photographs of store displays. The displays naturally varied in their effectiveness of presentation, but it was noted that practically all of the retailers exhibited the reproduction of the initial advertisement and set up their shoes to conform with the general copy approach of the campaign.

In at least one city, Louisville, Kentucky, the local retailers had secured the cooperation of one of the city's newspapers and had run jointly a full-page advertisement which

incorporated the same copy approach as that of the magazine advertising.²

As far as the consumer advertising was concerned, results were not expected to accrue for some time and since the consumer booklet had not yet been prepared, there was no adequate method for following up consumer inquiries. No coupon nor offer, furthermore, had been made in the only advertisement which had thus far appeared.

COMMENTARY: One of the objectives of the promotional campaign in this case was to educate men to a higher appreciation of the place of shoes in the wardrobe, with the aim thereby of inducing more purchases. To accomplish this objective, reliance was to be made in large part on the advertising to appear in magazines. Whether this advertising itself would have much effect in increasing per capita consumption of shoes by men is entirely a matter of speculation and judgment.

In the first place, it must be realized that the promotional program had to work against an adverse trend. According to statistics of the Association, there had been a persistent decrease in the per capita consumption of shoes by men over a period of approximately 30 years. One group of causes cited to explain this decrease included the effect of the automobile, the fashion of wearing low shoes throughout the year, and a sturdier construction of shoes. Another group of causes included the increased competition from various types of goods for a part of the consumer's income, and an increasing indifference on the part of men to the appearance of their wearing apparel, especially shoes. As I mentioned in the Introduction, advertising and promotion have greater chances of success when they are operating with a trend rather than against one. Accordingly, the National Shoe Retailers' Association had a difficult task before it in attempting to stem a tide in place of riding with one.

² A tendency toward joint local advertising by members in certain cooperative campaigns has been observed by the Periodical Publishers' Association of America in their bulletin, *Experiences of Associations in National Advertising* (Third edition, April, 1928). Two paragraphs are quoted from generalizations which appear therein:

Effect of association advertising on the individual
advertising of members

"The effects in this regard seem to fall into two classifications. Where companies within the association are large and financially strong, the advertising of individual concerns is greatly stimulated. The background created by the association advertising adds to the profitableness of their own activities.

"On the other hand, where the individual companies are comparatively small and not strong enough individually to make an effective national effort, the tendency is toward pooling their resources. In cases where the national association is made up of a group of small members, each doing a local business, there is also a tendency to stimulate local group advertising."

More aggressive promotion and selling on the part of the shoe industry would tend to overcome the indifference of men toward shoes, and it would to some extent counteract the advertising and promotion of manufacturers of other types of goods. On the other hand, the first set of causes of decreased consumption—that is, the lessened walking because of the automobile, the habit of wearing low shoes, and the longer life of shoes resulting from sturdier construction—would persist. The question then is whether the advertising would have much effect in leading men to include a larger number of shoes in their wardrobes and to replace them at frequent enough intervals to increase per capita consumption.

It is my belief that men's attitudes toward the wearing of shoes, or of any article of wearing apparel, rest in style forces and in habits of life that would not be greatly affected by a program of advertising such as was contemplated; not that the advertising would not have some effect, but the costs would be exorbitant when compared with the results attained.

It must be noted, however, that the plan did not rely solely upon the magazine advertising for results. More important was considered the task of educating the retailers, of making them better merchants, and of stimulating them to more aggressive and more intelligent selling. As in the case of the American Paint and Varnish Manufacturers Association³ and several other cases of this series, the magazine advertising effort was employed to serve as a focal point for rallying the industry to more aggressive and intelligent selling. An educational director was retained to carry on among contributors a program of education in retail store management. More advertising on the part of individual merchants was to be encouraged by precept and through the furnishing of advertising aids. Moreover, retailers apparently were to be furnished with a succession of promotional helps to parallel and to intensify the magazine advertising effort.

In so far as retail contributors increased their own advertising, used the promotional helps furnished, and did a better job of selling, to that extent the objective of increased sales had a greater chance of fruition. For the Association to seek such activity was sound procedure. Moreover, the task of educating Association members in business management was within the province of the Association and was commendable. The cooperative campaign was to serve as a spark to generate enthusiasm, at least for a time, for educational work. Such educational work, however, especially with so large and widely scattered a group, many members of which were small operators with limited business acumen, was likely to be discouraging. Education is a slow and painful process.

³ See p. 56.

The National Shoe Retailers' Association followed the policy of committing contributors to payments of money for advertising over a period of four years.⁴ While such a plan has much in its favor, it is open to danger.

As the case itself states, and as the reader may gather from other cases in this series, contributors often lose interest in cooperative promotional campaigns a few months after their inauguration. They are likely to expect too much magic from any campaign undertaken and to lose their original enthusiasm when results are not immediately perceptible. Where the advertising is purely educational, as in this case, a program extending over a considerable period of time should be inaugurated, if advertising is to be undertaken at all. Accordingly, in order to insure continuity of the advertising program, it may appear advisable to commit contributors to payments over a period of years. Moreover, the expense of soliciting and collecting funds in subsequent years is avoided, and with a fund established, the advertising administrators can proceed upon a definite and well-designed plan. On the other hand, a trade association management in obtaining such long-term commitments runs the danger of sacrificing the solidarity of its group if the members are held to commitments concerning which they are not altogether happy. This places a responsibility, then, on those assuming the leadership for such a plan of insuring two things: (1) that the plan has fair chances of attaining the objectives set forth; and (2) that in the solicitation of funds subscribers are not led to expectations that will be impossible of accomplishment.

To live up to these requirements when seeking support for cooperative promotion is most difficult. To foretell the likelihood of the success of a campaign with any assurance, is impossible. There is great danger of over-optimism on the part of those who evolve a plan. Moreover, to secure followers to a promotional program calls for the generation of enthusiasm and optimism. The larger the group, the greater is the temptation to resort to superlatives when seeking support.

It is my conclusion that the seeking of long-term commitments is not to be condemned. On the other hand, the dangers involved should be recognized and sponsors of the promotional program should take precautions against arousing too great expectations from their project.

The association which can evolve a plan of promotion immediately productive of sales, and which accordingly need not resort to long-term commitments, is in a much better position to hold its members happily in line than is the association embarking upon a program with objectives remote and indefinite.

January, 1931

N. H. B.

⁴ See the case of the Engraved Stationery Manufacturers Association, p. 271.

RAYON INSTITUTE

TRADE ASSOCIATION—RAYON

COOPERATIVE ADVERTISING—*To Enhance Prestige of Product Having Satisfactory Sales Volume.* Although the demand for rayon fibre exceeded the capacity of manufacturers in 1927, it was not used extensively in fine textile fabrics in the United States, because the unsatisfactory nature of some rayon in the early period of manufacture had led consumers to regard it as a cheap and inferior material. In order to build up the prestige of rayon among consumers and encourage its use in high-grade fabrics, five leading manufacturers of rayon fibre formed an institute for cooperative and promotional work, starting with a six months' campaign of consumer and trade advertising and promotion. The method selected as the most effective for enhancing consumer prestige was to build the consumer advertising around indorsements of rayon by well-known Parisian couturiers.

SUBSTITUTION—*Cooperative Advertising to Prevent.* Because of consumer prejudice against rayon as a material inferior to those made of natural fibres, the high-grade rayon being made in the United States in 1927 frequently was sold as silk. Although such sales maintained volume of demand for rayon fibre, some of the leading manufacturers of this fibre considered such sales undesirable, since they were building up demand for silk rather than for fine rayon. Believing that eventual growth of the use of rayon for fine fabrics depended on consumer recognition of its suitability, these manufacturers formed an institute to enhance the prestige of rayon through consumer advertising.

COOPERATIVE ADVERTISING—*Tests for Appraising Effectiveness.* An institute of five leading manufacturers of rayon fibre, formed to conduct a six months' campaign of consumer and trade advertising in order to increase the prestige of their product, devised the following comparisons, to be made before and either during or after the campaign, to determine its effectiveness: number of references to rayon in style publications; nature of references to rayon in trade paper advertising of textile mills and cutters-up; opinion of rayon held by representative groups of women of the higher class; knowledge of rayon held by rural residents; proportion of high-grade rayon merchandise carried in representative retail stores; attitude of salespeople to rayon fabrics; and number of newspaper advertisements of rayon as material of high quality. The source of all inquiries for a booklet offered in the advertising also was to be determined.

(1927-1928)

By 1927, rayon had become an important textile fibre used in a wide variety of materials. Artificial silk, later known as rayon, had undergone a developmental period in the United States and in Europe extending over 40 years, but its production on an extensive scale had not been started in the United States until 1922. During the first few years after 1922, many production difficulties had been encountered both in the manufacture of the fibre and in the manufacture of materials from it. The unsatisfactory nature of some of the rayon fabrics offered consumers during this period had led them to regard rayon fabrics as cheap and inferior materials. By 1927, the methods of production of rayon fibre practically had been perfected; textile manufacturers had learned to use the new fibre successfully; and rayon fabrics rendered satisfactory service to consumers. The sale of rayon, however, was still handicapped by the stigma of the mistakes made in its initial production, and it was generally regarded by consumers as not being so desirable a material as those materials made from natural fibres. In 1927, the demand for rayon fibre exceeded the capacity of manufacturers, but rayon was not extensively used in fine textile fabrics such as those employed in high-grade dresses, ladies' coats, and negligées. Although demand for fibre in excess of production capacity was believed likely to continue for several years, some manufacturers of rayon fibre looking into the future saw the necessity of increasing the prestige of rayon among consumers and, accordingly, considered means of influencing the attitude of the public toward rayon fabrics.

The name "rayon" was coined in the United States to designate the textile fibre known in Europe and formerly known in the United States as artificial silk. "Rayon" was adopted by a preponderant number of the manufacturers of artificial fibre in the United States because they believed the name "artificial silk" carried connotations likely to influence American consumers against it. They preferred to give their product an independent name.

The basic materials from which rayon fibre was made were wood pulp or cotton linters. The process of the manufacture of rayon was a highly technical and complicated method in which secret processes and technical skill played a large part. General processes for the manufacture of rayon in use in 1927 were the viscose, nitro-cellulose, chardonnet, cuper ammonium, and

acetate processes.¹ The largest part of the rayon manufactured in the United States was produced by the viscose process. Production of rayon by the other processes was small in comparison, although use of the acetate process was increasing. The acetate process was said to be most advantageous in the manufacture of fine fibres. No single firm had a monopoly of any one process.

By 1927, the products of all established American manufacturers of rayon yarn were of good quality, and the domestic product was believed to be superior to most yarns imported from Europe, although the finest grades (small diameter) of European yarn were said to be superior to competing domestic products. The larger rayon fibre or yarn manufacturers were independent of fabric manufacturers, and did not control the use of their yarn in the fabric which was eventually bought by the consumer. They cooperated, however, in every way possible with textile manufacturers to maintain and improve the quality of rayon fabrics, and their salesmen were technical men competent to advise textile manufacturers on the use of rayon fibre.

The adoption of rayon fibre for fabrics in the several years following 1922 involved new problems in production methods more revolutionary than textile fabric manufacturers had encountered for 100 years. The early rayon fabrics were in a sense experimental and were to a large degree unsatisfactory. By 1927, however, even as the process of producing rayon yarn had been perfected, so had the manufacturing processes for rayon and rayon-mixed fabrics been developed to the point where satisfactory materials regularly could be produced. The processes were no more secret, nor were the technical difficulties more involved, in the manufacture of rayon fabrics than in the manufacture of silk. Rayon fibre was used alone to make pure rayon fabrics and it also was used in combination with wool, cotton, or silk.

Rayon possessed many of the advantages of silk, and it could be produced much more cheaply. Members of the industry believed that rayon fibre eventually could be produced at a cost which would make it competitive on a price basis with cotton yarn. When rayon fabrics were properly made and properly cared for, their durability was equal to that of silk. Combinations of rayon with wool and cotton had been particularly successful.

¹ *The Rayon Industry*, by Mois H. Avram, D. Van Nostrand Co., 1927, gives an account of the various methods of manufacture

Rayon added beauty to wool and cotton when used in conjunction with these fibres.

One hundred million pounds of rayon fibre were consumed in the United States in 1927. It was estimated that the average price received by manufacturers for this fibre was \$1.64 a pound. Of the 100,000,000 pounds of rayon fibre consumed, 16,000,000 pounds were imported and 84,000,000 pounds were produced in the United States. The Viscose Company was the largest producer of rayon in the United States and the Du Pont Rayon Company the second largest. These two companies together produced over 60% of all rayon manufactured in the United States in 1927.

Rayon was suitable for use in a wide variety of textile fabrics. The following list enumerates a number of representative uses: women's underwear, pajamas, negligées, afternoon dresses, evening dresses, sportswear, coat linings; men's underwear, cravats, shirts, dressing gowns; draperies, upholsteries, bedspreads, lamp shades, ribbons, and auto robes. Department, dry goods, and specialty stores were the principal retail outlets for rayon fabrics.² Studies of the sales in various departments of these stores indicated the extent to which rayon had invaded the markets of the older textile fabrics. Piece goods ordinarily were sold in two departments: namely, the wash goods and silk goods departments. In 1927, according to these studies, sample investigations indicated that 25% of the material sold in the wash goods departments of department stores throughout the United States and 5% of the sales in the silk goods departments were of rayon materials; that rayons constituted from 50% to 75% of all draperies and bedspreads sold in the United States in 1927 and over 33% of the women's underwear; and that 20% of the hosiery sold in the United States was made with rayon fibre. Rayon frequently was used in mixture with wool for hosiery. The report showed increasing use in men's hosiery and somewhat decreasing use in women's hosiery.

The uses of rayon in the United States up to 1928 had been principally in lower-grade products. In Europe, rayon was used extensively in making fine and delicate garments, such as women's dresses, negligées, and coats. In France, rayon fabrics had been adopted for important creations of the leading Parisian couturiers,

² *Trend of Women's Underwear Sales—Rayon, Cotton, Silk*, National Retail Dry Goods Association, New York, 1927, and *Trend of Piece Goods Sales*, N.R.D.G.A., New York, 1928, both prepared by Alexis Sommaripa.

and such leading fabric designers as Rodier made extensive use of rayon.

In the United States, however, consumer prejudice against rayon not only had hindered the development of fine products of that material, but such high-grade rayon as was made frequently was sold as silk. In so far as rayon was sold as silk, volume of demand for rayon fibre was obtained but forward-looking executives in the industry regarded such selling as undesirable. Aside from ethical considerations, when rayon fabrics sold as silk gave satisfactory service, the demand for silk rather than for fine rayon was built up. The eventual growth of the use of rayon for fine fabrics depended on recognition of the suitability of rayon by the consuming public. Those executives who objected to having rayon sold as silk pointed out that domestic manufacturers of woolen goods who had permitted their products to be sold as imported goods not only were deceiving the public but, in so far as their goods proved satisfactory, were building up business for their foreign rivals.

Before undertaking any extensive campaign to encourage public esteem for rayon, certain manufacturers of rayon fibre made investigations and studied available data to determine whether or not rayon had been developed to the point where its satisfactory service could be definitely assured. This study disclosed that, although rayon lacked prestige and was considered by many consumers as essentially a cheap fabric, the service rendered by properly cared for rayon fabrics was highly satisfactory. An investigation conducted by a leading mail-order house among the rural residents of the United States, who constituted approximately 50% of the population, disclosed that 50% of this company's customers in rural districts did not even know what rayon was.

It was concluded that any promotional activities undertaken by rayon manufacturers should not be aimed at increasing the immediate demand for rayon fibres, because all manufacturers of fibre were oversold in 1927 and expected the demand for rayon fibre to exceed the production capacity of the industry for several years. Nevertheless, executives of the leading companies believed that the eventual maximum growth of the industry depended upon the building up of prestige for the new fibre, particularly through development of its use in high-quality materials, and upon dis-

semination of information concerning rayon among the rural population. Accordingly, the leading manufacturers of rayon joined in forming the "Rayon Institute" for cooperative and promotional work, including an advertising campaign to be conducted in 1928.

The members of the Rayon Institute were the Viscose Company, the Du Pont Rayon Company, the Industrial Fibre Company, the Belamose Company, and the Glanzstoff Company. Together these companies produced 85% of the rayon fibre manufactured in the United States. Each of these manufacturers was expected to contribute in proportion to his production.

Five hundred thousand dollars was appropriated by the members of the Institute to be used during the first six months of 1928 for a promotional and advertising campaign. The efforts of this cooperative campaign were to be directed at consumers and at the channels of distribution for rayon textile fabrics, cutters-up, retailers, wholesalers, etc. Advertising and promotion directed at textile mills, the direct customers of the members of the Institute, was left open for competitive effort by the members.

The Institute mapped out a comprehensive campaign to begin January 1, 1928, including complete plans for consumer advertising, consumer promotion, trade promotion, and trade advertising. The object of the campaign was not so much to increase sales immediately as to increase the prestige of rayon among consumers and to change their attitude and that of the trade toward fabrics and garments made of this material. The members of the Institute believed that the most effective way of obtaining this recognition was to picture the use of rayon in outer garments, evening dresses, and other distinctive apparel of the highest quality and to obtain the indorsement of famous Parisian couturiers. If these couturiers were shown to have adopted the material for their most elaborate efforts, it was believed that acceptance by the American market would follow.

Believing, therefore, that the names of leading French couturiers, such as Poiret, Lanvin, Drescoll, and Morand, in connection with an indorsement of rayon fabrics would be certain to attract the attention of thousands of women, the Institute built its consumer advertising around such testimonials. Each advertisement pictured in colors one of the rayon fabric creations of a couturier whose testimonial appeared in the copy. The illustrations pictured

attractively gowned women in smart surroundings. The dresses used for the illustrations were purchased by the Rayon Institute directly from the creators and subsequently were used for sales promotion in style shows. They were not specially made for the Institute, but were productions which these dressmakers had designed without influence from rayon manufacturers.

In the construction of the advertisements, the copy illustrations, layout, and typography all were designed to surround rayon with an atmosphere of prestige. The advertisements contained descriptions of various uses of rayon as well as general copy designed to increase its prestige. Each advertisement listed a group of garments for which rayon might properly be used, as in the following examples:

Here are a few of the many ways in which rayon makes costumes and homes more charming:

Coats. Forecasts of the time indicate wide use of rayon gros-grain and rayon satin for coats and ensembles.

Draperies. Bright and cheerful as the sun that shines upon them, rayon hangings are exceptional in the beauty of their patterns and in the draping effects.

Sweaters. Every sports designer in Paris counts upon the sparkle of rayon for her most interesting patterns in sports things . . .

Every advertisement contained a coupon, addressed to the Rayon Institute, offering to inquirers a free copy of an attractively printed booklet, *The Mode and Rayon*. Included in this booklet were reproductions of rayon garments designed by leading Parisian dressmakers. Examples of the consumer advertising are shown in Exhibits 1, 2, 3, and 4.

The campaign was opened with a double-page spread in each of the magazines used. This opening advertisement featured the indorsement of Paul Poiret, who recently had been lecturing in the United States, and the illustration pictured one of his rayon creations.

The mediums used, the number of insertions, and the approximate cost of space for the six months of the campaign are indicated in Exhibit 5.

Although the object of the campaign was in part to educate residents of rural districts in the use of rayon and to overcome their lack of knowledge of this fabric, farm publications and other

"RAYON INSPIRES GREAT FABRIC ARTISTS," SAYS DE MEYER

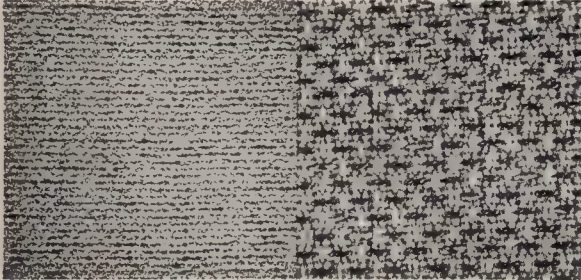
WORLD FAMOUS FASHION AUTHORITY

"Rayon's gift to fashions is beauty and distinction. It has placed in the hands of the great European designers utterly new, exquisite fabrics—lustrous satins and incredibly delicate panne and transparent velvets. These lovely materials would not exist at all without rayon."

"Their polished sheen is very flattering—they are soft and pliable, and drape gracefully to the figure. To fancy weaves of faille, taffeta and mairé, rayon also adds fresh beauty; and it gives new delight to women who adore gorgeous materials. Great fabric designers and dressmakers do not employ rayon because of its economy but for its beauty; nevertheless, the economy of rayon is a valuable point worth bearing in mind."



BARON DEMEYER, famous Parisian arbiter of fashions, fabric writer, true artist, praises the many new rayon fabrics

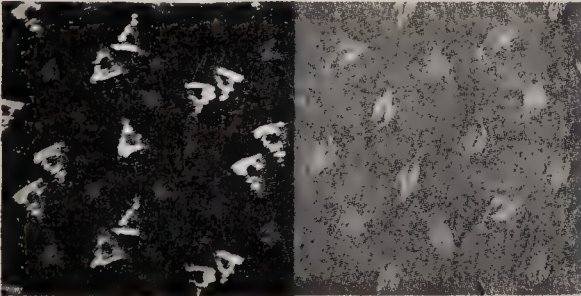


1. BOTANY WORSTED MILLS

2. J. C. MILNE & COMPANY, INC.

3. GREENSTONE SILK CORPORATION

4. MAAS BROTHERS FABRICS CORP.



1. "LORELEI". A light, pliable rayon and wool material which adapts itself perfectly to every type of daytime dress or wrap. The slight open-work mesh accented by a rayon thread gives the lacy appearance so important this season

2. A striking hand-woven rayon and wool material with that really knitted look so much in vogue for country and sports this year. The pebble weave of yellow and white is accented by a black thread and casual flecks of gold

3. This all rayon flat crêpe with its firm, fine texture and exquisite sheen is especially suited to this season's softly clinging frocks. It adapts itself to all the whimsies of "dressmaker" styles. White and tan with a touch of capucine on a red brown

4. "SIREN CHIFFON". An alluring material in exquisite pale shades for evening, with a scattering façonné pattern of rayon on a background of silk chiffon. An almost imperceptible design in the weave gives additional interest

RAYON

THE RAYON INSTITUTE OF AMERICA, INC.

Exhibit 1: Magazine advertisement used by Rayon Institute.

"GAYETY AND CHIC COMBINE IN EXQUISITE RAYON"

SAYS MADAME SCHIAPARELLI, ONE OF THE MOST NOTABLE OF PARIS COUTURIERS

"Rayon is like the times we live in—gay, colorful, luminous. Our famous fabric designers use it for this reason. So many materials derive their interest from it—weaves of wool and rayon, silk and rayon, cotton and rayon, as well as those of shimmering rayon itself. The couturier employs it because it is so pliable to work with and so luxurious in appearance.

"Whether a gown or suit is to be worn at St. Moritz, Palm Beach or in New York, always it has gayety and chic if the material itself is wholly or in part rayon, skillfully woven in a contemporary manner."



MADAME SCHIAPARELLI is one of the younger Parisian designers whose brilliant inspirations have made her most significant not only in Paris, but in America as well.



For the Riviera or Palm Beach, Madame Schiaparelli designed this clever active-sports frock. The classically simple bodice and the skirt divided in trouser effect allow utter freedom of movement. A wide yellow woven belt marks the normal waistline. Softly shimmering white rayon, which launders to perfection and falls so easily into pleats and folds, is the ideal material for this unusual modern costume.

Schiaparelli with unerring instinct for the significant features of the mode designed this daytime town ensemble in black. The "dressmaker" style, seven-eighths length coat has a flattering collar of white galyok and is smartly belted at the natural waistline. Of great chic and interest is the diagonal-weave silk and wool rayon material employed.

To wear beneath it Schiaparelli suggests her famous "pinatore" dress in black rayon crêpe. A soft, black wool turban and simple one-strap walking shoes complete this delightful costume.

RAYON

250 FIFTH AVENUE, NEW YORK CITY

Exhibit 2: Magazine advertisement used by Rayon Institute.

MR. HENRY S. BROMLEY,
PRESIDENT OF THE
NORTH AMERICAN
LACE COMPANY SAYS

"80 PERCENT OF LACE
USED IN DRESSES
TODAY CONTAINS
RAYON"



"Certainly lace occupies a front line position in fashion today. And almost all of this lace owes its beautiful sparkling lustre to rayon. Many famous French designers have used great quantities of rayon lace. And over here almost every smart woman has a rayon lace gown in her wardrobe."

THE RAYON INSTITUTE OF AMERICA, INC., 250 FIFTH AVE., NEW YORK

RAYON

Exhibit 3: Magazine advertisement used by Rayon Institute.

Lanvin
says these new Rayon Underthings
are expertly cut
and fitted . .

Major in a name!—"Lanvin!"—
To women the world over Lanvin means the quintessence of fashion—a classic simplicity, an unstudied charm which only the wizardry of a great artist can evoke.
And now this world-famous dressmaking establishment, to which perfection of line means everything, has chosen to model its creations over Carter's new rayon underthings.
"We were delighted to find that the lines of the body were not in the least blurred," says the great House of Lanvin.

PARIS COLORS
You, too, will be delighted with these new styles and colors, for they too have been selected in Paris by world-famous dressmakers!
For instance, in addition to all the familiar colors, you may now have such enchanting shades as Puer's "Peach-Flower," Premier's "Rose Flammant" or Worth's "Venus Pink."
All Carter's rayon underthings are exquisitely dainty and feminine as your fastidious taste demands—but so much less expensive than silk, and so practical and long wearing!
Carter's have perfected this luxurious new material by a process which makes it extra durable.
Give it ordinary fine fabric care and you will never be annoyed by shrinking, stretching or fading. The delicate pastel shades and brilliant modern colors will be as fresh and clear after dozens of launderings as they were the day you bought the garments. Made by The William Carter Co., Boston, Mass., Northham Heights Station.

Other world-famous couturiers who have modeled their creations over Carter's underthings are: Worth, Poiret, Puer, Suzanne Laroche, Chérel, Louise, Roulanter, Jane Rémy, Jenny, O'Russey.

Carter's
RAYON
UNDERWEAR
It stays new

The striking black and white dress is made of rayon. The simplicity for which it is famous is a result of the expertly cut, expertly fitted Rayon fabric. The dress is very low under the waist and has a very elegant ribbon as depicted on p. 13. The very short blouses (style 300) have a matching silk trim.

Exhibit 4: Magazine advertisement used by Rayon Institute.

mediums circulating exclusively in agricultural areas were not used. It was believed that these mediums would not surround rayon with the atmosphere of distinction which the Institute hoped to obtain. For the same reason a proposal to advertise in the catalogs of leading mail-order houses was not adopted. *McCall's Magazine* was included because of its large circulation in rural communities.

EXHIBIT 5

MEDIUMS, INSERTIONS, AND COST OF SPACE, FOR SIX MONTHS
ADVERTISING CAMPAIGN OF RAYON INSTITUTE

Magazine	Insertions	Cost
Vogue.....	6	\$ 19,200.00
Harper's Bazaar.....	6	17,600.00
New York Times Rotogravure.....	2	9,221.44
Delineator.....	4	29,200.00
McCall's.....	4	40,000.00
Good Housekeeping.....	6	45,000.00
Ladies' Home Journal.....	6	75,000.00
Butterick Quarterly.....	2	12,000.00
McCall's Quarterly.....	2	7,500.00
Pictorial Review Quarterly.....	2	7,500.00
		\$262,221.44

The Institute used trade advertising to inform the trade of the consumer advertising and its purposes. This advertising directed the attention of the trade to the campaign and to the increased prestige which was expected to accrue to rayon fabrics as a result of these efforts. It was designed to induce retailers to sell rayon without apology and to lead them to regard rayon as a material of high quality. Full-page and double-page space was used in the *Dry Goods Economist*, *Dry Goods Merchants' Trade Journal*, *Women's Wear Daily*, *Men's Wear*, *National Retail Clothiers*, and the *Chicago Apparel Gazette*. The space cost of this trade advertising was approximately \$25,000.

The magazine and trade paper advertising campaign, although appearing under the name of the Rayon Institute, was directed by a committee composed of the advertising managers of the various companies supporting the campaign. The Rayon Institute was headed by a director who had general charge of its activities, which included the answering of inquiries arising from

the advertising and the direction of publicity and sales promotional efforts.

In order to obtain the maximum effectiveness from the magazine and trade paper advertising and in order to make use of the news material arising from the rapid and successful growth of the relatively young rayon industry, a publicity director was appointed. The efforts of the publicity department were designed to increase mention of rayon in women's style publications and to obtain the publication of patterns suitable for particular rayon fabrics in the same way that patterns for silk were presented in these publications. This department was also to arrange for articles concerning rayon to be printed in women's magazines and on the women's pages of newspapers.

The principal promotional effort for rayon was a style show. The possibility of sending individual rayon demonstrators to department stores was considered, but, since rayon fabrics were offered in as many as ten different departments of most stores, such efforts could be directed only toward increasing the sales of one particular type of rayon goods, unless several demonstrators were sent to a store at one time. It was believed that it would be possible to relate the style show to all the departments in which rayon was sold and, moreover, that a properly presented style show would carry more prestige for the product than would demonstrators.

Since the object of the style show presented by the Rayon Institute was to promote the sale of actual rayon merchandise sold in the retail stores, it was believed possible for the Institute to obtain the whole-hearted cooperation of the stores. An effort was made to hold the show in the department store or large specialty store which had the greatest prestige with women in each city and which was most willing to cooperate with the Institute. The style show used live models on whom the newest rayon creations of Parisian designers and couturiers were shown. The greater number of the garments and fabrics shown in the style show, however, were selected from the stock of the department store in which the exhibition was held. Various rayon fabrics were used as background and setting for the style show. Rayon draperies, bedspreads, piece goods, and garments were shown in this way. The stores cooperated in providing publicity and making arrangements for the show.

Fabrics for display in these demonstrations were selected entirely by the director of the Institute. In some cases individual textile manufacturers attempted to induce the particular member of the Institute from whom they purchased rayon fibre to obtain display of their products, and remonstrated when their fabrics were not so used. However difficult it might have been for an individual manufacturer conducting a show to answer such demands satisfactorily, little difficulty was experienced by the Institute. Its members included most of the important fibre manufacturers and, as long as the director of the Institute alone chose fabrics on the basis of their quality and style, regardless of their source, fabric manufacturers had no basis for enforcing their requests.

The Institute's promotional efforts also included work with retailers. The style show was used to educate salespeople concerning rayon and its various uses. A booklet upon rayon was prepared for dissemination among buyers and salespeople for the purpose of inducing them to consider rayon a material of high quality and to sell it on its own merits rather than as an imitation or as a substitute for another fabric.

The appropriation made in 1927 was designed to support a six-months' campaign. The Institute believed that by the end of this period the effectiveness of the campaign could be adequately judged, and it devised the following tests to determine the desirability of continued advertising and promotion along the lines adopted in January, 1928:

1. The requests received for the booklet offered in each consumer advertisement were to be studied. Since the object of the advertising campaign was to reach discriminating women and to educate potential customers in the agricultural market, the source of the returns was to be determined and the names checked against the social register and against a list of high-class women's names supplied by a mailing list firm. The Institute did not wish to obtain inquiries from domestic science and other school teachers, believing that this type of interest could be aroused more cheaply by direct mail.

2. A sample tabulation of editorial and text references to rayon in style publications during three months in 1927 and the same three months in 1928 was to be made. Any increase in the space devoted to rayon would be taken as an indication of the effectiveness of the campaign.

3. A study was to be made of the trade paper advertising of textile mills and cutters-up during a period before the beginning of the campaign and during the same period in 1928. This study would show whether the name "rayon" had been used by the cutters-up to signify a material of high quality and whether the manufacturers had advertised rayon as such or had disguised the material of rayon garments.

4. The Institute obtained permission to use the name of a leading women's magazine in interviewing a group of women of the higher class by telephone in selected cities. The questionnaire to be used is shown in Exhibit 6. By these interviews, which would

EXHIBIT 6

QUESTIONNAIRE USED BY RAYON INSTITUTE IN APPRAISING RESULTS OF ADVERTISING CAMPAIGN

Name _____	Attitude of woman to rayon—	Does she seem to
	Friendly	realize rayon is used
City _____	Antagonistic	in high-grade
	Indifferent	articles? _____
Purchaser of Rayon		
1—Have you ever worn dresses _____ coats _____ negligées _____ which contain rayon?		
a—Did you buy it ready-made _____, or buy the material _____?		
b—What was the material? Knitted goods _____ satin _____ transparent velvet _____ voile _____ cotton mixture _____		
c—What was the price? Of garment _____ By the yard _____		
2—Were you satisfied with it? Yes _____ No _____		
3—What did you like about it? _____ Dislike? _____		
4—Do you know rayon is used in high-grade materials and garments? Yes _____ No _____		
(Asked only when woman has purchased the cheaper articles)		
5—Have you purchased rayon underwear _____ Price _____		
rayon hosiery _____ " _____		
" draperies & upholstery " _____ Material _____		
Other articles _____ " _____		
6—Were you satisfied with it? Yes _____ No _____		
7—What did you like about it? _____ Dislike? _____		
Not a Purchaser of Rayon		
1—Have any of your friends worn dresses _____ coats _____ negligées _____ containing rayon?		
Any other articles? Underwear _____ hosiery _____ draperies _____, etc. _____?		
a—Were they satisfied with it? Yes _____ No _____		
b—What did they like about it? _____ Dislike? _____		
2—What do you think of rayon in dresses, underwear, draperies, etc.?		
3—Why have you not bought any rayon articles in the past?		
4—Are you planning to buy any in the future? _____ What? _____		
5—Do you know rayon is used in high-grade dress materials and garments? Yes _____ No _____		
REMARKS: _____		

be held both before and after the campaign, the attitude of representative groups of women of the higher class toward rayon would be determined. It was found that one person could interview 40 to 50 women a day by use of the telephone and that 95% of those reached were glad to cooperate.

5. A questionnaire sent out by a leading mail-order house in 1927 had shown that 50% of its customers did not know what rayon was. The Institute planned to use a similar questionnaire after the campaign had been in operation for a time, to determine whether there had been any increase in the knowledge of rayon in the rural districts.

6. A study of the proportion of high-grade rayon merchandise carried in representative retail stores, similar to studies made in 1927, was to be made. Any increase would be taken to indicate that the campaign had produced favorable results in obtaining the use of rayon for high-quality merchandise.

7. Women were to be employed to go to representative stores in certain cities and to inquire of a salesperson, concerning an article of rayon which they saw on the counter or on display, "Is that rayon?" The reactions of the salesperson to the question were to be observed and noted. She might deny that the article was made of rayon, she might not know the material, or she might say that it was made of rayon. If she did say that it was made of rayon, the investigator was to note whether she used a depreciatory tone or whether she inferred that it was a material of reliable quality. Such an investigation was to be made before the beginning of the campaign and it was to be repeated after the campaign had been in operation for six months. Any favorable change in the attitude of retail salespeople would be taken as an indication of the effectiveness of the Institute campaign.

8. A study of newspaper advertisements in ten cities before and after the beginning of the campaign was to be made. An increase in the number of advertisements of rayon as a material in fabrics of high quality for use in coats, negligées, and dresses would indicate that the campaign had attained some measure of success.

COMMENTARY: This case provides interesting comparison from several angles with other cases of this series. Although numerous issues might be considered, we shall devote our attention primarily to the following points. First, the cooperating group was small and

compact. Second, not a pressing need for increased demand to keep current production facilities employed, but a desire to extend demand in the future was back of the campaign. Third, the advertising was launched at a time when consumer trends favored development of demand for the product. Finally, plans were definitely laid to check the effectiveness of the advertising.

Cooperative efforts were facilitated by the fact that the Rayon Institute was composed of only five large companies. Such a small membership of firms large enough to command able executives greatly simplified the problem of securing effective cooperation. With this case might be contrasted that of the National Shoe Retailers Association, in which thousands of retailers and several hundred manufacturers had to be roused to enthusiasm concerning the projected advertising. Extended effort and large expense had to be spent by the initiators of the shoe program to arouse an initial enthusiasm and support for the program, while maintenance of cooperation and interest was almost hopeless. A brief study of the cases of this volume indicates that the chances of maintaining effective interest and support for cooperative promotional efforts become smaller as the organizations necessary for support become more numerous. A small group can keep intimately in touch with what is being done, and the members can decide quickly whether they desire to proceed or not.

Cooperative promotional efforts very frequently are undertaken when the stress of competition for primary demand makes itself felt in a substantial proportion of the firms of the industry. In contrast, this cooperative campaign was not launched at a time when the rayon industry felt a pressing need to increase demand in order to take care of productive capacity. The rayon fibre industry, as a matter of fact, had a demand at the time in excess of plant capacity. The objective in raising the prestige of rayon through promotional efforts was, then, forward-looking.

It was not a defensive measure, but an aggressive one. The plan sought to make rayon appear as an accepted and suitable fabric for fine garments, not as a cheap substitute for silk. Such an objective was well worth striving for. The product had gotten away to a poor start because of technical errors in its handling. In spite of this handicap, a tremendous demand for it had been built up. A general consumer acceptance on the ground of its suitability from a style standpoint, however, promised a marked increase in its usage.

In undertaking its program of advertising and promotion, the Rayon Institute had a favorable trend operating in its favor, not an adverse trend, as is so often the situation with cooperative promotional ventures; *e.g.*, in the cases of the Silverware Association, the National Shoe Retailers' Association, and the Engraved Stationery Manufacturers

Association. The favor already shown by the public gave basis for the belief that advertising and promotion well executed might readily accelerate a new degree of acceptance of rayon as a fabric for fine garments.

The Institute was fortunate also in that the established demand for rayon fibre was already substantial. Accordingly, the members could support a relatively heavy program of advertising and promotion without undue burden. A rough calculation of domestic production of rayon fibre by Institute members indicates that their sales volume in 1927 was well in excess of \$100,000,000. Accordingly, a \$500,000 appropriation for six months, a sum large enough to make considerable impression if well expended, did not impose an excessive burden.

Such advertising offers little opportunity definitely to appraise its effectiveness. An attempt to create fashion preference through advertising is always risky. Yet, the potential increase in demand promised through raising the style acceptance of the product, the fact that consumer acceptance already shown indicated no great resistance to suggestions of its further use, and the relatively small percentage of sales income risked, make the program appear to have been worth while. It is to be noted that the Institute did not rely on space advertising alone. Consumer advertising was accompanied by a program of other types of promotion and publicity. The style shows gave promise of bringing immediate stimulation of demand for rayon. They probably were effective, as well, in educating retail salespeople concerning the fabric. The part of publicity was recognized. Moreover, the whole consumer approach gave ground for seeking aggressive support from textile manufacturers, cutters-up, and retailers.

It is noteworthy that, even though the Rayon Institute could not hope to appraise precisely the effectiveness of its advertising program, it did have plans to get some check upon the effectiveness of the program. No one nor even all of the checks listed in the case would provide a definite answer of the effectiveness of the program in changing women's attitudes toward the product. They all contributed some indication, however, of whether the program was accomplishing what was desired, and such an effort to estimate results is worthy of emulation. It is unfortunate that a subsequent report concerning this checking is not available.

April, 1931

N. H. B.

PORTLAND CEMENT ASSOCIATION (A)¹

TRADE ASSOCIATION—CEMENT

COOPERATIVE ADVERTISING—*Announcing Results of Product Research Undertaken to Insure Satisfactory Use to Consumers.* An association of cement manufacturers, which had undertaken a program of consumer advertising and of educational work with contractors, engineers, and architects, began to announce in its advertising the results of research on concrete conducted by its laboratory. After two years of such advertising, the association discovered that it was arousing antagonism among engineers and contractors, who, believing that their own knowledge of their work was adequate, were indifferent or hostile to the association's findings and made little use of the research consultation service offered by the association's engineers. The association decided to change the copy approach of the advertisements, from a point of view stressing the association's achievements to one emphasizing the benefits received by engineers using the association's services and citing specific instances of such assistance. The association received a satisfactory response to the changed type of advertising.

(1922)

The Structural Materials Research Laboratory at the Lewis Institute in Chicago was established with the cooperation of the Portland Cement Association in 1915, when the latter was formed to improve and extend the use of concrete. The Association gave assistance to this research work in order to promote the use of concrete and thus indirectly to stimulate the demand for cement, which its members manufactured. In 1916, the Portland Cement Association undertook a program of consumer advertising to stimulate the use of cement in improving roads. By 1918, in its general advertising and especially in its industrial paper advertising, it had begun to announce the findings of the research which was being carried on in the Lewis Institute. In 1922, however, the Association was forced to reconsider the copy approach of the advertising which announced the results of the research on concrete, because it discovered that the presentation then in use was arousing antagonism among engineers and contractors.

¹ See also Portland Cement Association (B) and (C), pp. 150 and 170.

Although the Portland Cement Association was not organized on a national basis until 1915, the industry had carried on cooperative work since 1902, when the Association of American Portland Cement Manufacturers had been organized with offices in Philadelphia. Previous to 1902, there had been little cooperation in the industry; each manufacturer had made his own brand of cement according to his own specifications or those of his customer, such as the various specifications issued by the different railroads. The state of confusion in the industry was revealed in 1890, when it was found that approximately 90 different specifications for cement were being used in the United States. The fact that the various brands of cement were not made by exactly the same formula confused contractors, because the different cements did not harden in the same length of time, and after hardening, they were likely to vary in strength. This condition was rectified in 1902, when the American Society of Testing Materials prepared its Standard Specifications and Tests for Portland Cement, known as Industrial Standard #1. The work of the society was carried on by committees of users and producers, who worked out specifications for various basic materials in cooperation with the Bureau of Standards and the American Society of Civil Engineers. By general adoption of these standard specifications and tests of the finished product, the quality of cement was stabilized.

The Association of American Portland Cement Manufacturers really was the outgrowth of meetings started in 1902 by approximately 25 cement manufacturers who met to exchange cement sacks. Cement originally had been put up in barrels containing 386 pounds; later, branded cotton sacks containing one cubic foot, or 94 pounds, were adopted in place of the barrels. The sacks were sold with the cement, but those that could be used again were redeemed by building supply dealers, who sold them to the manufacturers. Inasmuch as manufacturers generally received the return sacks in bales, it was natural that each manufacturer should accumulate sacks belonging to his competitors. The manufacturers therefore met annually to arrange the exchange of sacks. With the adoption of standard specifications, the marketing problems of the industry changed. Previously some of the large manufacturers had advertised their individual brands, but their continuance of this policy was believed to promote the use of competing brands of cement equally well. Moreover, since

small manufacturers could not afford to advertise extensively, it was to the advantage of the industry to join in a cooperative effort. The Association, therefore, was formed in 1902, by those manufacturers who previously had been attending the informal meetings, to carry on promotional work of joint interest to its members. Beginning with one office in Philadelphia, the work of the cooperative organization expanded until it reached national proportions in 1912.

In 1915, the leaders of the Association saw possibilities of increasing the use of cement through more aggressive promotional work. One field, which they believed offered special opportunity for increased use of cement, was in the building of paved roads. The building of concrete roads had begun in 1909 and 1910 with the increased use of the automobile, and the use of cement for such roads had increased materially by 1915 without extensive promotional work by cement manufacturers. In order to undertake more aggressive promotional activities, the organization was revised and its name was changed to the Portland Cement Association. The main office was moved to Chicago, branch offices were opened in key cities, and additional engineers were employed for field work. At that time the Association started a national movement for good roads, in which the merits of concrete roads were stressed to the public. At the same time the Association undertook to stimulate other outlets for cement, such as its use on farms, and to do educational work with contractors, engineers, and architects. The first national advertising program for concrete roads was undertaken in 1916, when approximately \$46,000 was available for advertising.

The work of the research laboratory established by the Association in 1915 was directed largely toward discovering the proper uses of concrete, the reason that some concrete was good and some bad, and the causes for the occasional failures of concrete. Not until after four years of research were the engineers of this laboratory ready to publish the results of any of their investigations. Their first announcement, however, was revolutionary, in that tests had shown that the strength of concrete was affected more by the amount of mixing water than by any other ingredient used in the manufacture of concrete. Theretofore, it had been the common assumption that the strength depended primarily upon the proportions of cement, sand, or "fine aggregate," and

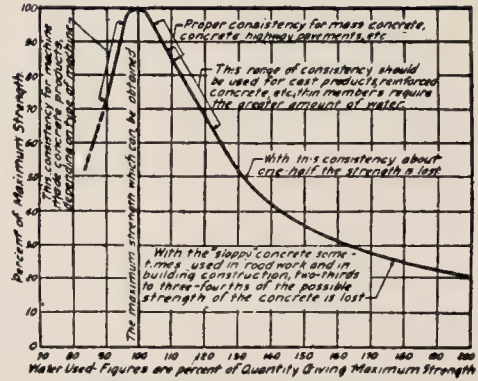
crushed stone, or "coarse aggregate," used in making the concrete. It had been assumed also that the amount of water used in mixing was unimportant, although water was the agent of the chemical reaction which took place when concrete hardened. Large quantities of water, therefore, were generally used by the contractors because relatively liquid concrete was easily handled. It was granted that this procedure often resulted in surplus water, but it was thought that the surplus water evaporated or ran off during the hardening period and did not affect the strength of the concrete. The process of hardening, however, was not one of evaporation but one in which a chemical action was carried on until the wet concrete hardened into an artificial stone.

The research work of the laboratory revealed the fact that concrete was strongest when it was mixed to a quaky, jelly-like consistency in which there was no surplus water. For example, in mixing a bag of cement, a surplus of one pint of water above that needed was found to weaken the concrete more than would the omission of two pounds of cement. The research work also developed other facts regarding concrete, especially methods of controlling and testing concrete while it was being made.

In 1920, when the Lewis Institute was sufficiently sure of its experimental results to announce them, the Association undertook to release these results and to persuade engineers and contractors to use the information thus made available. Both undertakings were considered important, because the extensive use of concrete depended upon the attaining of satisfactory results from concrete in use, the manufacture of which could not be controlled by the Association and its members. Booklets, which were sent by direct mail to engineers, and advertisements in the trade papers which reached this group, also stressed the results obtained from the research on concrete. Exhibits 1 and 2 are typical of the advertising in this series.

After approximately two years of this type of advertising, the Association was obliged to consider changing it. To the surprise of the Association, the engineering profession had received with indifference the reports on research developments and had made slight use of the research consultation service offered by the Association's engineers. Inquiries were very few. Field men reported slight interest, among the engineers upon whom they called, in either the research work or its results. In fact, a definite hostility,

When One Pint of Water Wastes Two Pounds of Cement



NOTE: In general construction, the maximum strength can rarely be obtained, but it is possible to obtain 70 to 90 per cent of the maximum strength without additional expense by restricting the quantity of mixing water.

Observe this curve closely. It shows impressively the effect of the quantity of mixing water on the strength of concrete.

It is now known that excess mixing water, not only weakens concrete, but that it is actually wasteful of cement. One pint of water more than necessary in a one-bag batch decreases the strength and resistance to wear as much as though two or three pounds of cement were left out.

Here is a fact, which if brought home to the superintendent and the foreman, can be of great practical value in raising quality on the job.

Wouldn't you like to have, right at hand for quick reference, a practical manual which tells how the quantity of mixing water can be closely controlled, so as to give concrete greater strength without using any more cement?

Then write today for our free booklet, "Concrete Data for Engineers and Architects." We will be glad to send you extra copies for superintendents and foremen.

Take full advantage of the service the Portland Cement Association has to offer. One of the District Offices of the Association is always near you. Get acquainted with it.

PORTLAND CEMENT ASSOCIATION

*A National Organization
to Improve and Extend the Uses of Concrete*

Atlanta	Denver	Kansas City	New York	San Francisco
Birmingham	Des Moines	Los Angeles	Parkersburg	Seattle
Boston	Detroit	Memphis	Philadelphia	St. Louis
Chicago	Helena	Milwaukee	Pittsburgh	Vancouver, B.C.
Dallas	Indianapolis	Minneapolis	Portland, Oreg.	Washington, D.C.
	Jacksonville	New Orleans	Salt Lake City	

Exhibit 1: Trade paper advertisement stressing results of research conducted by Portland Cement Association.

You Can Know About Concrete— Don't Guess

Whatever use of Concrete you are planning, the Portland Cement Association can, and will gladly, give you absolutely dependable information about it. We will tell you exactly how to use Concrete to get the best results.

This Association is the joint research and educational foundation of 85 manufacturers of cement in the United States, Canada, Mexico, and Cuba. It has been carrying on this work for twenty years.

To keep its information as full and serviceable as possible, and to make it readily available, the Association maintains these agencies:

A research laboratory, making many thousands of tests each year:

Many specialists in the different classes of Concrete work, who divide their time between studies in the field, personal counsel to users of Concrete, and the preparation of booklets of information on the many uses of Concrete:

Twenty-four fully equipped offices in different parts of the country, to render prompt service to users of Concrete.

So no one need ever be in doubt as to when or how to use Concrete. All of the Association's facilities are at the service of the public without charge. Suggestions as to how they may be made more useful to you are invited.

PORTLAND CEMENT ASSOCIATION

A National Organization

to Improve and Extend the Uses of Concrete

Atlanta	Des Moines	Parkersburg	San Francisco
Boston	Detroit	Philadelphia	Seattle
Chicago	Helena	Pittsburgh	St. Louis
Dallas	Indianapolis	Portland, Oreg.	Vancouver, B. C.
Denver	Kansas City	Salt Lake City	Washington, D. C.
	New York		

Exhibit 2: Trade paper advertisement stressing results of research conducted by Portland Cement Association.

which was manifest in articles appearing in engineering magazines, developed. These articles were written from the point of view of the engineer on the job, as a person who had trained himself to do a particular type of work and prided himself on his knowledge of that work. The contractors also objected to receiving this information, believing that since they had been mixing concrete for years, they knew how it should be done. Whenever the concrete failed, the disaster was attributed to poor cement and not to improper mixing. The cement, however, could hardly be at fault, inasmuch as it was manufactured and tested to conform with rigid standards. Furthermore, the same advertising copy in popular mediums did not arouse the antagonism among general readers that was exhibited by professional men. And whenever engineers were brought into the testing laboratories and were shown the experiments, they readily agreed to the findings shown them. The Association's problem, then, was to gain acceptance of the research facts and to increase the use of the consultation facilities by operating engineers and contractors.

The executives of the Association examined the advertising copy to see whether the tone of it could be changed, but concluded that little could be done in that way to make the advertising successful. Finally, they decided to change the point of view expressed in the advertisements. The previous advertising had stressed what the Association as an authority on concrete had done, could do, or knew about making concrete. The new advertising adopted told how operating engineers had profited by commanding the services of the Association's field men and research workers. These advertisements cited and illustrated specific instances where prominent structures, such as the Big Four Railway Bridge at Sidney, Ohio, had been erected under the most modern methods and principles developed by the research organization of the Association. The advertising, which bore the Association's signature, offered to extend the same service to any reader wishing to benefit likewise by using the Association's resources. Exhibit 3 is typical of the new series of advertisements.

The Association was pleased with the results obtained by the new advertising. Inquiries began to arrive soon after the new series had started. Field men reported that contractors were more willing to have them show how good concrete could be made with the contractors' own equipment and tested while it was being

End section of arch, New Water Supply at Washington, D. C. This job consists of nine miles of horse-shoe shaped cross sections of reinforced Concrete. It has a large number of sharp and difficult curves. The work is being done by the Arundel Corporation under the supervision of L. H. Beach, Maj. Gen. and Chief of Engrs. U. S. War Dept.; J. A. O'Connor, Maj. Corps of Engrs. U. S. A.; and E. D. Hardy, Asst. Engr. U. S. Engr. Office.



Another Example of Quality Control in the Field

Government engineers, too, are applying laboratory principles to control the quality of Concrete.

On the New Water Supply Conduit at Washington, D. C., they are carefully grading the aggregates. They keep constant check on the water content. They maintain a minimum time for mixing.

The strength assumed for the Concrete was 2000 pounds. The minimum strength maintained day after day—as shown by hundreds of tests made by the U. S. Bureau of Standards—is 2500 pounds.

Have you seen previous advertisements of this series, telling about some of the many other jobs where modern field methods of control are directly helping to assure Concrete of uniformly greater strength? Proofs of these advertisements will be sent you on request. Address the nearest office listed below.

PORTLAND CEMENT ASSOCIATION

A National Organization to Improve and Extend the Uses of Concrete

Atlanta	Dallas	Indianapolis	Milwaukee	Parkburg	San Francisco
Birmingham	Denver	Jacksonville	Minneapolis	Philadelphia	Seattle
Boston	Des Moines	Kansas City	New Orleans	Pittsburgh	St. Louis
Charlotte, N. C.	Detroit	Los Angeles	New York	Portland, Oreg.	Vancouver, B. C.
Chicago	Helena	Memphis	Oklahoma City	Salt Lake City	Washington, D. C.



Our Booklets are sent free only to the United States, Canada and Cuba

Exhibit 3: Trade paper advertisement emphasizing specific benefit derived from research activity of Portland Cement Association.

made. The Association was invited to give aid in the construction of important projects, such as a large dam in Missouri, a big bridge in Philadelphia, and a water supply system for Washington, D. C. The practical application of its findings, the Association believed, increased the uniformity and strength of concrete, thus augmenting the durability of concrete structures and reducing their maintenance cost. Under this new approach in the advertising, the executives were pleased to find also that professional antagonism towards the research work and the discoveries therefrom disappeared.

COMMENTARY: With the adoption of a standard specification for the manufacture of cement in 1902, the cement industry was placed in a peculiarly suitable position to stimulate increased demand for its products through cooperative effort. Since all cement became much the same, each manufacturer was faced with a difficult problem in securing a demand for his particular brand. All cement manufacturers, however, were in a position to benefit through expansion in the uses of concrete. Numerous markets for various uses were evidently expansible, provided suitable promotional and advertising plans were adopted. In stimulating wider usage a more effective approach undoubtedly was offered by group effort than by conflicting and uncoordinated efforts on the part of individual manufacturers.

One of the handicaps to be overcome in securing wider usage of cement lay in the improper mixing of concrete. Poor concrete was sure to result in lack of satisfaction in use with resultant resistance to its adoption for various types of construction. The industry, through its Association, showed great wisdom in supporting technical research to determine proper mixing methods for concrete. The mere determination of proper mixing methods was of little value, however, unless engineers and contractors adopted the findings of the research. The experience described in this case, of using paid space and booklets to inform engineers and contractors concerning proper mixing methods, is of significance in that it shows the necessity of writing copy from the viewpoint of those addressed—of taking into consideration their attitudes when trying to influence them. The illustrations and copy relating to specific engineering projects gave to the revised type of advertisements a news value to command interest and attention that was lacking in the original type. In addition, the offer of service to the engineer and contractor was more tactfully presented.

The case illustrates, further, the desirability of the use of coupons or of some other method which will permit ready appraisal of the effectiveness of advertisements. In the educational campaigns

described, more direct solicitation of inquiries with use of coupons would have aided in getting booklets into the hands of those interested. Moreover, it would have permitted, through keying of advertisements, opportunity to experiment in the copy approach with inquiries as a guide to the effectiveness of the copy.

November, 1930

N. H. B.

PORTLAND CEMENT ASSOCIATION (B)

TRADE ASSOCIATION—CEMENT

COOPERATIVE ADVERTISING—*Promoting Use of Concrete for Highway Construction.* An association of cement manufacturers for several years devoted the major part of its advertising and promotional efforts to stimulating the use of concrete in public highway construction, supplementing this program by various advertising and research activities promoting other uses of concrete. After 11 years of this advertising, which was carried on in both magazines and newspapers, the annual increase of concrete roads appeared to have become fairly stable, and the association believed that concrete had been generally accepted by the public and by highway engineers as suitable material for highways.

COOPERATIVE ADVERTISING—*Promoting Use of Concrete for City Paving.* An association of cement manufacturers, which for several years had devoted most of its advertising and promotional efforts to stimulating the use of concrete in public highway construction, decided to change the theme of its general advertising to the suitability of concrete for city paving and to devote more effort to increasing this use of concrete, believing that concrete had been generally accepted as suitable material for highway construction and that the potential market for city paving was approximately equal to that for highways. In undertaking this program, the association supplemented its magazine advertising addressed to municipal engineers by extensive general promotional work through its corps of engineers, and also advertised in newspapers and magazines reaching the general public.

COOPERATIVE ADVERTISING—*Estimated Immediate Returns as Basis for.* An association of cement manufacturers, which for several years had carried on advertising and promotional efforts to stimulate the use of concrete for specific purposes, followed a policy of undertaking a particular program only when the estimated immediate returns were believed to justify the necessary expenditure.

(1927)

During the years 1916 to 1927, the Portland Cement Association devoted most of its advertising and promotional efforts to stimulating the use of concrete in the construction of public highways in the United States. The appropriation for advertising was about \$46,000 in 1916, but grew until \$400,000 was appropriated in 1923, a figure which approximated the appropriations

for the following three years. Both magazines and newspapers were used in this campaign, but the proportional expenditure in each type of medium varied considerably from year to year. The largest investment in magazine advertising was approximately \$92,000 in 1923. During the period 1924 to 1926, inclusive, the use of magazines was discontinued, and in their place the Association increased the newspaper advertising which had been started in 1921. This newspaper advertising was directed largely toward creating general goodwill for the industry. The promotional activities that supplemented this major program consisted primarily of advertising in technical magazines which circulated among engineers and architects; interviews with members of these two groups by the Association's engineers, who endeavored to show the suitability of concrete for various projects; advertising in farm magazines to stimulate the use of concrete on farms; the preparation and distribution of booklets on many subjects relating to uses of concrete; and research directed toward improving the methods of making concrete and finding new ways of using it. For its 1927 program, the Association resumed the use of national magazines and decided to change the theme of its general advertising to the suitability of concrete for city paving and to give more promotional effort to increasing this use of concrete, continuing at the same time, however, the supplementary programs which had been carried on in the past.

The Portland Cement Association, in 1926, was composed of 82 members, 72 of whom comprised 90% of the cement manufacturers of the United States, and 10 of whom were cement manufacturers in Canada, Mexico, and South America. The organization of the Association consisted of headquarters in Chicago and 31 branch offices in metropolitan cities, from which approximately 200 field engineers worked. Each branch office was headquarters for a district, usually composed of a single state. Three of the members had national distribution through plants located at strategic points; the other members distributed in local regions. All domestic members paid regular dues to the Association for the national activities in proportion to the amount of their shipments made in the second preceding year. The dues were calculated at the first of each year, so that the 1927 dues, for example, were based on 1925 figures. The dues defrayed the expenses of the headquarters, general staff, research, advertising,

and conservation work of the Association. At times the districts undertook special promotional programs in addition to the national programs. These special programs were planned by the manufacturers concerned, who shared their cost on a basis of shipments, apportioned in a manner similar to that used for the national dues.

The affairs of the Association were directed by a general manager to whom the various department heads reported. The programs of any particular year were undertaken only when the estimated immediate returns were believed to justify the use of the limited funds available for such work under the budget of the organization.

Before deciding to change the emphasis of the general advertising from rural paving to city paving, the executives of the Association considered the results which had been attained under the highway program and balanced the expected effect of its continuation against the probable returns from a program stimulating the building of concrete city paving. The progress which had been made in both fields is summarized in Exhibit 1. The importance of this use of concrete to the cement industry is indi-

EXHIBIT 1
SQUARE YARDS OF CONCRETE PAVEMENT IN THE UNITED STATES*

Awarded		Roads	Streets	Alleys	Total
	1916	15,906,801	7,395,975	880,179	24,182,955
	1917	15,333,087	5,238,062	1,200,030	21,771,179
	1918	12,990,519	3,295,817	585,948	16,872,284
	1919	41,335,342	1,086,419	1,038,173	43,459,934
	1920	29,326,689	8,814,782	907,164	39,048,635
	1921	43,862,503	10,695,548	1,606,085	56,164,136
	1922	58,301,413	18,607,792	2,176,500	79,085,705
	1923	50,893,999	24,385,497	2,658,276	77,937,772
	1924	58,105,921	29,939,429	4,194,811	92,240,161
	1925	63,895,104	35,664,427	4,509,810	104,069,341
	1926	64,978,458	43,968,335	4,952,334	113,899,127
†Totals		483,306,749	219,592,913	26,560,301	729,459,963
Totals in Equivalent Miles of Pavement	18 ft. wide	43,333.5			
	30 ft. wide	.....	12,476.9		
	18 ft. wide	.....	.....	2,515.2	

* *The 1927 Book of Concrete Facts about Concrete Pavements*, published by Portland Cement Association.

† Totals include pavements laid previous to 1916.

cated by the fact that approximately a barrel containing 386 pounds of cement was needed for 1 square yard of pavement of the average thickness of paving in the United States.

Previous to 1909, there were only 34,000 square yards of concrete highways in the United States, but this yardage was doubled in that year. With the increased use of automobiles, which began at about this time, the construction of concrete roads increased rapidly during the following five years. In 1914 and 1915 more than 10,000,000 square yards of concrete highways were constructed in each year. The rapid development of this market for cement had taken place without extensive promotional work by the cement manufacturers. Believing, therefore, that this market had large potentialities still undeveloped which might be stimulated readily, the Portland Cement Association had decided, in 1926, to concentrate much of its advertising and promotional work on furthering the good roads movement and increasing the construction of concrete highways.

By 1927, the Association believed that cement had become accepted as suitable material for highway pavements. The annual increase of concrete roads appeared to have become fairly stable, as shown in Exhibit 1. When expressed in terms of miles of pavement 18 feet wide, the average new road construction during the three-year period 1924 to 1926, inclusive, was approximately 5,900 miles annually. Moreover, tests of types of construction carried on by independent enterprise, such as the Bates Road Tests conducted from 1920 to 1923 by the Illinois Division of Highways, had demonstrated the durability of concrete pavements. This test road consisted of 63 sections of pavement, 22 of which were of brick, 17 of asphalt, and 24 of concrete. A fleet of army trucks made 23,200 trips over the road, starting with just a bare chassis and then increasing the load by 2,000 pound increments until a total load of 10 tons had been reached. Of the 63 sections, 2 of asphalt, 1 of brick, and 10 of concrete survived destruction under the final load. The surviving asphalt and brick sections had been laid on a concrete base, considered as strong and durable as the other 10 sections of concrete. These tests indicated that concrete had load-carrying qualities superior to other paving materials. Furthermore, when the soil in the sub-grade lacked supporting power, concrete pavements could be reinforced with steel rods or heavy wire mesh to resist the severe

bending forces of frost and heavy traffic; other paving materials could not be reinforced in this way.

A measure of the general acceptance of concrete for roadmaking was provided by data on the type of construction of all roads built with federal aid and of all improved highways, whether constructed with or without federal aid, during the period 1916 to 1927. These data appear in Exhibit 2.

EXHIBIT 2

TYPE OF CONSTRUCTION OF FEDERAL AID PROJECTS AND OF TOTAL SYSTEM OF IMPROVED HIGHWAYS, 1916-1927*

TYPE OF CONSTRUCTION	FEDERAL AID PROJECTS COMPLETED AND UNDER CONSTRUCTION†		TOTAL IMPROVED HIGHWAYS‡	
	Mileage	Percentage of Total Mileage	Mileage	Percentage of Total Mileage
Portland-cement concrete....	15,694.4	22.0	25,381.68	19.2
Brick.....	810.7	1.1	1,449.07	1.1
Bituminous concrete.....	1,737.9	2.4	3,626.50	2.7
Bituminous macadam.....	4,000.3	5.6	8,487.03	6.4
Waterbound macadam.....	1,283.4	1.8	7,591.97	5.7
Gravel.....	25,291.3	35.5	45,435.89	34.3
Sand-clay.....	5,734.6	8.1	7,222.76	5.4
Graded and drained.....	16,541.2	23.2	28,152.65	21.3
Bridges.....	203.7	0.3	0.0	0.0
Other types.....	0.0	0.0	5,261.56	3.9
	71,297.5	100.0	132,609.11	100.0

* Figures unadjusted for variation in width of pavement.

† *Editor's Reference Book on Cement and Concrete*, 1927.

‡ *American Highways*, April, 1927. Total highway mileage 2,862,198 miles on January 1, 1927.

In addition to durability, other advantages of concrete roads were believed to be that they lessened the possibilities of skidding, even in wet weather, reduced the operating costs of motor transportation, and decreased the maintenance costs of improved highways. The relatively skid-proof properties of concrete roads were attributed to the absence of an oily surface and to the gritty particles in the surfaces which afforded a gripping traction for rubber tires. Several cities had taken advantage of this property by using concrete paving on steep grades; for example, concrete had been used on a 29% grade in Los Angeles, on a 21%

grade in Passaic, on a 15% grade in Milwaukee, on an 11% grade in Duluth, and on many other steep grades in cities throughout the country. Furthermore, Los Angeles and Grand Rapids, recognizing concrete as safe pavement for streets, had passed ordinances specifying concrete for all grades of 6% or more. The data given in Exhibits 3, 4, and 5 on maintenance and vehicle operation costs were obtained by special studies and records of organizations believed to be impartial. Exhibit 3 likewise presents some data on relative construction costs of different types of pavement.

EXHIBIT 3

PROBABLE AVERAGE MAINTENANCE AND RENEWAL COSTS OF
PAVEMENTS FOR DISTRICTS SIMILAR TO WESTERN NEW YORK
(1922)*

TYPE OF PAVEMENT	WIDTH (FEET)	AVERAGE DEPTH (INCHES)	CONSTRUCTION COSTS		YEARLY MAINTENANCE	
			Contract Cost per Square Yd., Pavement Only	5 % Interest on Cost	Pave- ment Only, per Sq. Yd.	Shoulders, Ditches, Guard Rail, etc.
Class 1 Traffic (2,000 or more Vehicles Daily—10-hour Count in Summer)						
Stone block on concrete base...	18-20	12	\$5.50	\$0.275	\$0.005	\$0.020
Brick on concrete base.....	18-20	11	4.20	0.210	0.015	0.020
Asphaltic concrete on cement base.....	18-20	10	3.50	0.175	0.020	0.020
Reinforced cement concrete....	18-20	8	3.20	0.160	0.015	0.020
Penetration bituminous mac- adam†.....	18-20	13	2.50	0.125	0.070	0.020
Class 2 Traffic (800-2,000 Vehicles Daily—10-hour Count in Summer)						
Reinforced cement concrete†...	16-18	8	\$3.20	\$0.160	\$0.010	\$0.015
Asphaltic concrete on macadam base.....	16-18	12	3.00	0.150	0.020	0.015
Brick cubes on macadam base..	16-18	12	3.00	0.150	0.020	0.015
Penetration bituminous mac- adam.....	16-18	12	2.20	0.110	0.040	0.015
Waterbound macadam (oiled)..	16-18	12	1.90	0.095	0.080	0.015
Class 3 Traffic (300-800 Vehicles Daily—10-hour Count in Summer)						
Penetration bituminous mac- adam.....	12-16	10	\$1.90	\$0.095	\$0.030	\$0.012
Waterbound macadam.....	12-16	10	1.60	0.080	0.060	0.012
Class 4 Traffic (Less than 300 Vehicles Daily)						
Waterbound macadam.....	8-12	9	\$1.50	\$0.075	\$0.040	\$0.012
Gravel†.....	8-12	10	1.00	0.050	0.040	0.012

Note: Computed for normal conditions. Exceptionally favorable conditions in regard to excellence of original construction and to maintenance appropriations and personnel might easily reduce maintenance and renewal costs 20 to 30 %.

* As reported in Harger and Bonney, *Handbook for Highway Engineers*, McGraw-Hill Book Company, Inc., New York, 1927.

† These types eventually resurfaced with asphaltic concrete or some form of standard block or cube surface.

‡ This type can be temporarily used under heavy traffic, but for a volume of over 400 to 500 daily it generally develops disagreeable waves known as rhythmic corrugations.

EXHIBIT 3 (Continued)

TYPE OF PAVEMENT	RENEWAL§		TOTAL MAINTENANCE AND RENEWAL		TOTAL INTEREST, ON CONSTRUCTION, MAINTENANCE AND RENEWAL	
	Assumed Normal Life	Yearly Cost for Renewal	Per Square Yard	Per Mile	Per Square Yard	Per Mile
Class 1 Traffic (2,000 or More Vehicles Daily—10-hour Count in Summer)						
Stone block on concrete base....	30-35	\$0.100	\$0.125	\$1,400	\$0.400	\$4,400
Brick on concrete base.....	15-20	0.160	0.195	2,150	0.405	4,450
Asphaltic concrete on cement base.....	10-15	0.170	0.210	2,300	0.390	4,300
Reinforced cement concrete.....	10-15	0.160	0.195	2,150	0.360	4,000
Penetration bituminous macadam†.....	5-9	0.200	0.290	3,200	0.420	4,600
Class 2 Traffic (800-2,000 Vehicles Daily—10-hour Count in Summer)						
Reinforced cement concrete†.....	15	\$0.145	\$0.170	\$1,700	\$0.330	\$3,300
Asphaltic concrete on macadam base.....	12	0.150	0.185	1,850	0.335	3,350
Brick cubes on macadam base...	12	0.160	0.195	1,950	0.345	3,450
Penetration bituminous macadam	10	0.120	0.175	1,750	0.285	2,850
Waterbound macadam (oiled)....	8	0.110	0.205	2,050	0.300	3,000
Class 3 Traffic (300-800 Vehicles Daily—10-hour Count in Summer)						
Penetration bituminous macadam	12	\$0.100	\$0.140	\$1,100	\$0.240	\$1,900
Waterbound macadam.....	10	0.070	0.140	1,100	0.220	1,800
Class 4 Traffic (Less than 300 Vehicles Daily)						
Waterbound macadam.....	12	\$0.060	\$0.110	\$650	\$0.180	\$1,100
Gravel†.....	8	0.030	0.080	500	0.130	800

§ Based on maximum Vialog coefficient of 250 in. per mile without excessive maintenance charge.

EXHIBIT 4

TEN-YEAR AVERAGE COSTS OF ROAD SURFACE MAINTENANCE IN NEW YORK STATE, 1916-1925*

Type of Road	Average Cost per Mile
Bituminous macadam, penetration method; asphalt, tar	\$656
Asphalt, concrete base.....	343
Asphalt, macadam base.....	827
Waterbound macadam.....	864
Brick.....	309
First-class concrete.....	227
Second-class concrete.....	914
Gravel.....	914
Average, all types.....	\$632

* Compiled by David Noonan, New York State Deputy Commissioner of Highways.

EXHIBIT 5

RELATIVE COSTS OF VEHICLE OPERATION ON VARIOUS CLASSES OF ROADWAY SURFACES*

TYPE OF SURFACE	TYPE AND SPEED OF VEHICLE			
	Solid-tire Trucks, 10 m.p.h.	Pneumatic Tire Trucks, 15 m.p.h.	Auto-mobiles, 25-35 m.p.h.	Motor Busses, 25 m.p.h.
	Cents per ton-mile	Cents per ton-mile	Cents per vehicle-mile	Cents per ton-mile
Average portland cement concrete and asphalt-filled brick.....	8.00	8.30	10.00	24.00
Best portland cement concrete and asphalt-filled brick.....	7.75	7.70	9.30	22.50
Best gravel, yearly average.....	8.50	8.80	10.90	25.70
Ordinary gravel, yearly average.....	9.00	9.40	11.80	27.80
Waterbound macadam, well maintained	8.70	8.95	11.10	26.00
Bituminous macadam, well maintained.	8.50	8.80	10.60	25.70
Average sheet asphalt, yearly average temperature.....	8.10	8.30	10.00	24.00
Average asphaltic concrete, yearly average temperature.....	8.00	8.30	10.00	24.00
Best earth, well packed by traffic, yearly average.....	9.20	9.50	12.00	27.80
Ordinary earth with light traffic, yearly average.....	9.50	9.95	12.60	29.60

* Agg. T. R., and Carter, H. S., in cooperation with U. S. Bureau of Public Roads, Bulletin 69, Iowa State College, July, 1924. As reported in Harger and Bonney, *Handbook for Highway Engineers*, McGraw-Hill Book Company, Inc., 1927.

Construction costs, of course, varied in accordance with the differences in conditions met in road building and with prices of materials in different localities.

Although the good roads program had not been carried to its ultimate completion, as is indicated by the statistics on percentage of improved roads to total mileage of highways in Exhibit 2, the general acceptance of concrete highways by the public and by highway engineers was believed to have been gained. The need for continuing extensive promotional efforts was thought to be lessened by the stability of the personnel in the state highway departments. These engineers, in the main, accepted the merits of concrete highways as a result of their experience with such roads. Moreover, the problem of financing such projects had been practically solved by gasoline taxes in most states, so that large sums

were annually available for the retirement of highway bonds and for new construction. By 1927, there were only three states which did not have a gasoline tax.

In 1926 the mileage of portland cement concrete streets, reduced to a 30-foot basis, was 12,505; the mileage of alleys, reduced to an 18-foot basis, was 2,516. Figures for the other types of street surfaces were not known to the Association. It believed, however, that the total amount of possible paving for streets and alleys in cities was approximately equal to the amount of feasible construction for hard-surfaced highways.

This market not only offered opportunities for new paving projects but also provided an increasing outlet through more extensive use of concrete for resurfacing worn pavements and through street widening projects to accommodate the increasing volume of traffic. In the past, however, other types of paving had generally been preferred to concrete for city paving. This preference for competing paving materials was believed to be based on conditions which had since changed.

In the days of horse-drawn traffic, the demand had been for noiseless pavements to replace the noisy brick and cobblestone pavements. Wood block and asphalt surfaced pavements had been developed to meet this demand. Under existing conditions, however, the noise created by vehicles was reduced through the equipping of automobiles and trucks with rubber tires. Furthermore, concrete was believed to be better suited than these other paving materials to the new traffic conditions, wherein heavy loads were moved at high speed by trucks, because a pavement had to be rigid to stand up under such pressure. In comparison to concrete, pavements having elastic surfaces were considered less desirable because they tended to become rutted under heavy traffic; brick or cobblestone pavings, although rigid, lacked the smooth surface which enhanced the riding qualities of automobiles. Wood blocks, even on a concrete base, often were unsatisfactory because the buckling caused by water and frost temporarily interrupted an even flow of traffic.

As with highway paving, concrete pavements for cities had the advantageous characteristics of durability, economy in maintenance, safety for vehicle operation, and enhanced economy in transportation costs. Another advantage claimed for concrete was the reduced expense of opening and replacing pavements.

For example, the average cost figures for the city of Indianapolis and four public utility companies in that city indicated that the expenses of opening and replacing concrete pavements were from 50 cents to \$1.25 per square yard less than for four other common types of paving.¹ The relative costs of maintaining three types of city paving were indicated by the records of the Public Works Committee of Beloit, Wisconsin, as shown in Exhibit 6.

EXHIBIT 6

SEVEN-YEAR AVERAGE COST OF STREET MAINTENANCE IN BELOIT, WISCONSIN*, 1919-1925

Type	Average Cost per 1,000 Square Yards
Asphalt on concrete base.....	\$2.23
Brick on concrete base.....	1.55
One-course concrete pavement.....	0.40

* Records of Public Works Committee.

As shown by Exhibit 1, the square yards of concrete used for city pavements had been less than for highways. An encouraging factor, however, was the increased construction during the three years preceding 1927. During this period of 1924 through 1926, the total mileage of concrete city paving in terms of the standard 30-foot width increased from approximately 6,250 miles to approximately 12,505 miles. Although this trend indicated an increasing outlet for cement in city pavements, the Association believed that this market could be stimulated further.

In undertaking the 1927 program for increasing concrete paving in cities, the executives of the Association believed that the public's acceptance of concrete paving for rural highways would reduce resistance to its wider adoption in cities. For city paving, however, there was the complicating factor that dark surfaced pavements had been extensively used and that some people preferred black-top pavements, presumably because such pavements were considered to reduce the glare of sunlight.

Another prejudice to be overcome was the municipal engineer's attitude toward concrete for city paving. As a group, the

¹ *The 1927 Book of Concrete Facts about Concrete Pavements*, Portland Cement Association, Chicago.

majority of municipal engineers favored asphaltic and wood pavements; these had been developed to meet traffic demands which since that time were believed to have changed. Unlike the highway engineers, who were working in an entirely new field, the municipal engineers as a group had been slow to recognize the suitability of concrete to the new conditions, presumably because of their repeated use of the commonly accepted competing types of paving materials. Because of the relatively larger number of engineers to be interviewed and because of the number of individual projects directed by public works departments, the results of educational work among these officials were believed to develop more slowly than with highway engineers.

The "curing" of concrete pavements also presented a problem in city paving that was practically negligible in the use of concrete for hard surfaced roads. The curing period generally took from 10 to 24 days. By compression tests of samples it was possible to determine when the pavement had attained the desired strength. The duration of the curing period varied because the chemical action taking place in the hardening of cement was more rapid in hot weather than during cool weather.

In the curing of concrete pavement it was essential that sufficient moisture be present to prevent the retarding of the chemical reaction. The methods commonly employed were:

- (a) Covering the surface with wet burlap or canvas, immediately after laying and checking the pavement, and keeping the burlap wet until replaced by earth or hay which would be kept wet for at least the minimum time.
- (b) Covering the surface with wet earth as soon as it could be placed without damaging the surface of the pavement.
- (c) Sprinkling the surface with water as soon as the pavement had hardened, sufficient water being used to keep the surface continuously wet.
- (d) Erecting earth dikes after the surface had hardened, so that the surface could be completely covered by ponds of water.

The curing period necessitated the closing of streets to traffic until the pavement had attained the desired strength. In the country, traffic could be rerouted without great difficulty. In cities, however, the rerouting might intensify traffic congestion. The inconvenience of closed streets, considered a minor factor in the selection of the type of paving for boulevards and residential

paving, was given considerable weight by engineers who selected the paving for business districts. For the latter projects they often preferred other types of paving which could be opened for traffic 24 to 48 hours after the work had been finished. There was, however, a growing practice of laying only half the concrete pavement at one time so that the street could be open for one-way traffic. Another factor claimed to be favorable for concrete was that it usually was employed for the base of both granite and wood-block pavements and often for the base of asphalt-surfaced streets. Concrete pavement could be opened, therefore, to traffic more quickly than paving of asphalt or blocks placed on a concrete base. Experimentation with "high early strength concrete" and the use of calcium chloride, moreover, had contributed to reducing the time for curing.

The executives of the Association, in undertaking a program to stimulate concrete paving in cities, recognized that it would be necessary to undertake more promotional work among municipal engineers than formerly and that the advertising in magazines circulating among this group would have to be supplemented by having Association engineers call on municipal engineers to discuss with them the suitability of concrete for city paving.

Moreover, it was thought that, unless public interest in the changes was stimulated, these promotional efforts alone would not produce the desired change quickly. Accordingly, the Association allotted the greater part of its appropriation to newspaper and magazine advertising to reach the general public. The advertising appropriation of approximately \$440,000 was allocated as follows:



The Concrete Street is Safe

Concrete streets are safest—wet or dry. They are rigid and enduring under the heaviest traffic. Economical to build and requiring little maintenance, the concrete pavement gives uninterrupted service.

When you pave, pave with portland cement concrete. Its attractive appearance and other exclusive advantages make it appropriate for business and residential districts alike.

PORTLAND CEMENT ASSOCIATION

The Portland Cement Association is a national organization to improve and extend the uses of concrete, with offices in 32 cities.

PORTLAND CEMENT **CONCRETE** FOR PERMANENCE

Exhibit 7: Newspaper advertisement used by Portland Cement Association.

Newspapers.....	\$190,000
National magazines.....	160,000
Farm papers.....	40,000
Trade and engineering papers.....	50,000
Total.....	\$440,000

The appeals selected for the advertisements were those of general interest. The clean, attractive appearance of concrete paved streets, their adaptability to modern traffic, their safety against skidding, and the ease of removing snow from them in winter are examples of the type of appeal used in both the illustrations and the copy.

How Much Are Traffic Jams Costing You?

If you would avoid a traffic jam, you must drive around it—usually on unpaved roads and bumpy streets.

And driving on unpaved highways, instead of on Concrete, takes money right out of your pocket. It greatly increases your tire bills, your gasoline bills and your repair bills.

Nor is that all. You have to pay your share of the cost of untangling traffic jams—with expensive traffic signals and additional police.

"How can these costs be reduced?" you ask.

Tell your highway authorities you want more roads, and wider ones, paved with Concrete—that you want city streets like country boulevards. Tell them you want plans made now for continuing highway programs, and are ready to back them.

PORTLAND CEMENT ASSOCIATION

[District Office Address]

*A National Organization
to Improve and Extend the Uses of Concrete*

Offices in 31 Cities

The newspaper campaign included 1,400 newspapers. The number of papers used and the limited amount of the appropriation necessitated a thin schedule of infrequent advertisements and the use of fractional pages. The newspaper campaign was designed to create goodwill for concrete paving in cities and to supplement the magazine advertising. Examples of the advertisements in this medium are given in Exhibits 7 and 8.

Exhibit 8: Newspaper advertisement used by Portland Cement Association.

The magazine advertising was the central part of the campaign. The *Saturday Evening Post*, the *Literary Digest*, and the *American* were chosen because of their mass circulation. Full pages were taken each month in the *Saturday Evening Post* and the *Literary Digest* except in the July and December numbers, which were not used because of the limited appropriation and because it was thought that people did less home reading in the summer months and at the holiday times than they did during other periods of the year. Eight pages, which were scheduled for the spring and fall

months, were taken in the *American*. The advertisements did not appear simultaneously in these magazines. Instead, the publication dates were staggered, in accordance with the supposition that such a schedule would increase the impression value of the extent of the campaign. A typical example of the advertising appears in Exhibit 9.

The technical advertising, still used to stimulate other uses of concrete, is summarized in Exhibit 10, and an example is shown in Exhibit 11. Approximately 35 farm papers were used also; since most of them had sectional circulation, the advertisements were varied to comply with the greatest interests of these sections. The Association also continued to prepare and distribute many booklets and pamphlets devoted to the various uses of concrete.

Promotional efforts were not confined entirely to the advertising campaigns; in addition to this advertising, extensive general promotional work was undertaken through the Association's corps of engineers. This activity was deemed basic because of the necessity of obtaining immediate results from the advertising. With a background of interest created by its advertising, these engineers devoted part of their time to obtaining petitions for various paving jobs and aiding the petitioners in presenting their cases to the municipal officials who authorized the expenditures. This promotional work was considered most valuable, inasmuch as projects were often delayed unless someone took the initiative and worked aggressively to carry through a petition. All this promotional work was necessarily directed toward benefiting the whole industry and could not be conducted to aid a particular company, except in that each company benefited by increased demand for concrete.

Under this program, in 1927 the volume of all types of concrete paving laid was 128,750,463 square yards. This total divided according to types of use was: 6,918 miles of concrete highway 18 feet wide, and 3,168 miles of concrete street paving and of concrete alley paving 18 feet wide. Inasmuch as this increase compared favorably with the results obtained in the immediately preceding years, the executives decided to continue the campaign in 1928. During 1928, the number of square yards of concrete paving laid was 145,837,537.

The Pavement for Congested Streets



THINK of the traffic in your town twenty years ago. Not much of a problem then, was it? But today! Times have changed and the streets of yesterday—still the streets of today—are as obsolete as a 1907 motor car. Not only must our street pavements be made wider and still wider to accommodate growing traffic volume. They must be specially designed for durability, safety and uninterrupted use.

The concrete street is modern—developed, like the concrete road, specifically for motor traffic moving on rubber instead of steel. Resilience is built into the modern vehicle. Its roadway must be rigid, maintaining an even surface under impact, wear and temperature. The concrete street meets these requirements perfectly—and it is the safest pavement wet or dry.



The clean, gay beauty of concrete streets makes them especially desirable in residential districts and for parks and boulevards. Write Portland Cement Association, Chicago, for a booklet citing the experiences of communities like yours.

PORTLAND CEMENT
CONCRETE
for permanence

Exhibit 9: Magazine advertisement used by Portland Cement Association.

EXHIBIT 10
SUMMARY OF PORTLAND CEMENT ASSOCIATION TRADE PAPER ADVERTISING FOR 1927

Field	Mediums	Schedule	Size of Space	Appeals
Architects.....	10 magazines—all the magazines in this class. Some had national and some sectional circulation.	Every month	Full page, black and white	Advertising to convince architects that cement was suitable for exterior and interior decoration as well as for structural work.
Railroads.....	Railway Age Electric Railway Journal	Every month	Full page, black and white	Devoted to various structural problems of railway engineers.
Municipal.....	American City	Every month	Full page, black and white	Magazine circulated not only among municipal engineers but also among municipal officials. Stress on suitability of concrete for city paving and municipal buildings.
Motor.....	American Motorist	Every month	Full page, black and white	Continuation of campaign for good roads made of concrete.
Engineering.....	Concrete Roads and Streets Highway Engineer and Contractor Pacific Builder and Engineer Pacific Street and Road Builder	Every month “ “ “ “	Full page, black and white Full page, black and white Full page, black and white Full page, black and white Full page, black and white	Various uses of concrete. Six leading civil engineering magazines. Advertising diversified to apply to the different types of projects interesting to civil engineers.

EXHIBIT 10 (Continued)

Field	Mediums	Schedule	Size of Space	Appeals
	Western Construction News	Every month	Full page, black and white	
	Engineering News-Record	" " week	Full page, black and white	
General Manufacturers.....	Manufacturers' Record	13 pages	Full page, black and white	Factory structures, municipal water supply, sewage treatment, and industrial pavement.
Financial.....	Forbes	Every month	Full page, black and white	General appeal to stimulate favorable reaction to concrete structures.
Agriculture.....	Agricultural Engineering	Every month	Full page, black and white	Use of cement on the farm.



The first aerial view of Woodward Avenue, a super-highway, connecting Detroit and Pontiac, Michigan. The road is a concrete highway, showing the layout of concrete roadways and surrounding urban landscape.



The Super-Highway

—Necessary Because of Modern Traffic,
Possible Because of Concrete

SIXTEEN miles from the Detroit city limits lies Pontiac, Michigan. Proximity and mutual manufacturing interests developed an enormous traffic between these cities. Even a few years ago the narrow communicating highway was jammed for sixteen hours a day with all manner of motor vehicles.

Transformation of Woodward Avenue, the linking artery, into a gigantic thoroughfare—a super-highway, great enough for all present and possible future needs—was visualized. Long experience and investigation both proved that with only one material, concrete, could such a road be built and maintained at practical cost.

Work was started a little more than two years ago, and the final section of the super-highway will soon be opened. It is a magnificent thoroughfare sixteen miles long and 204 feet wide. Two concrete roadways each 44 feet wide are separated by a double car track and parkway. Each roadway carries four one-way traffic lanes.

Wider Woodward Avenue is safe wet or dry. It saves time and tires. It has enhanced values in all the communities it serves. It is, in fact—"the greatest street in the world."

Wherever there is congested inter-city traffic concrete makes possible a super-highway.

PORTLAND CEMENT ASSOCIATION
CHICAGO

A National Organization to Improve and Extend the Uses of Concrete

CONCRETE *for permanence*

Exhibit 11: Trade paper advertisement used by Portland Cement Association.

COMMENTARY: The promotional and advertising work of the Portland Cement Association is worthy of study from several viewpoints. One commendable undertaking has been commented upon already in the case of Portland Cement Association (A) on page 148; namely, the support of technical research to determine proper methods of using cement in concrete and to determine new uses for cement. It is a basic maxim of marketing that a product must give satisfaction in order to effect repeat sales. Inasmuch as cement by the 1902 agreement had been reduced to standard specification, it was logical for the individual firms of the industry to support a common program of research which would lead to satisfactory use of the product. Likewise technical research which aimed to widen the use of cement was likely to benefit all manufacturers. Research, such as the Association is described as supporting, is in keeping with intelligent merchandising practice.

A second point of significance lies in the fact that the Association adopted the definite policy of undertaking advertising and promotion only when it was likely to produce actual sales commensurate with the expenditures made. Such a policy led to careful estimates of the volume of demand that might be stimulated in any field and of the resistances to be met. In this case we find the Association turning from intensive cultivation of the highway field, in which it had established itself as the result of several years of work, to a relatively undeveloped market which had promise. The difficulties to be met in the field of city paving were carefully studied. Since the industry had operating in its favor improvements in the technique of handling and curing of concrete, some of the objections to its use for city pavements were lessened. It also had in its favor, as in the case of highway construction, a trend toward installation of strong rigid pavements, brought about by the increase in automobile traffic.

The activities of the Association were not haphazard. Different from the practices described in some of the cases in this volume, the organization did not content itself merely with carrying on a general educational program through advertising and publicity; it undertook actual personal selling work. The engineering personnel, operating from numerous branch offices throughout the country, worked closely with highway and street engineers and with other public officials in order to insure proper consideration of portland cement concrete for highway and street-paving projects. In municipalities the Association even went so far as to have representatives help circulate petitions for street improvement districts. Advertising programs were formulated

² See also cases and commentaries of Portland Cement Association (A) and (C), pp. 140 and 170.

with specific objectives. Specific appeals that were likely to interest and motivate the audiences addressed were employed.

Through intelligent and aggressive personal promotional work for a suitable product, backed up by engineering research to make the product satisfactory, and by advertising and publicity which sought the favor of engineers, contractors, public officials, and citizens toward concrete highways and streets, it is not surprising that the adoption of concrete for highways and streets was so rapid.

The Portland Cement Association over a long period of time has been able to carry on substantial programs of promotion and has apparently been able to retain the support of almost all firms in the industry, both large and small. Such continuity of support, so often lacking in cooperative efforts, has probably been secured because actual sales results commensurate with expenditures have been obtained.

It must be recognized, of course, that the peculiar conditions surrounding the cement industry have made it especially suitable for cooperative promotional effort. It has had numerous markets offering opportunities for expansion of demand; hence there has been reason to expect that intelligent promotion would lead to increased demand. Moreover, the uniformity of the product undoubtedly has led the firms in the industry to realize that the greatest opportunity for expanding sales has lain not in centering their promotional resources on a competitive fight for such business as existed, but upon banding together to stimulate increased demand. The temptation for a manufacturer to differentiate his product and to individualize it through advertising has not operated as it has in many industries. Individual firms have had the difficult tasks of securing the favor of contractors and the trade, but much of the expenditure ordinarily devoted to competitive effort has apparently been freed to carry on promotion seeking to stimulate primary demand. The industry and the public have benefited from this condition.

December, 1930

N. H. B.

PORTLAND CEMENT ASSOCIATION (C)

TRADE ASSOCIATION—CEMENT

COOPERATIVE ADVERTISING—*Stimulating Use of Concrete Blocks for House Building.* In deciding whether to advertise stucco homes made of concrete structural units, a trade association of cement manufacturers took into consideration the following factors: the amount of necessary special promotional work with concrete products manufacturers, necessitating the employment and training of an increased force of field men; the education of architects in the use of structural units; the stabilizing of the block manufacturing industry; the cost and suitability of homes made from concrete blocks; the probable amount of construction in the following year; the type of appeal to be used; and the means for raising the necessary funds. The association decided to undertake a program of magazine and trade advertisements directed to consumers, concrete products manufacturers, and builders, and to carry on special promotional efforts among the manufacturers.

COOPERATIVE ADVERTISING—*Special Promotional Efforts among Manufacturers of Product Advertised.* In undertaking advertising of stucco homes made of concrete structural units, a trade association of cement manufacturers decided that the following types of special promotional work were necessary to correlate the work of the concrete products manufacturers with the association advertising: securing standardization of the size of structural units and cooperation of the producers in using a specification best suited to their available materials and to particular plants; improving manufacturers' marketing policies; and aiding the manufacturers in training salesmen, in planning local advertising campaigns, and in conducting the promotional work necessary to make the national advertising effective in individual cities.

(1927)

One of the results of the research work carried on by the Portland Cement Association prior to 1927 was the development of new markets for and better quality in concrete block and building tile, called "structural units," which were suitable for building purposes. The blocks were hollow, the standard size being $8 \times 8 \times 16$ inches; the amount of air space usually approximated 40% of the volume. They were similar to an older type of concrete block, which had been made with an imitation stone facing on one side and in limited quantity; their 8-inch height was

equivalent to 3 courses of brick. The standard size of the building tile was $5 \times 8 \times 12$ inches, equivalent in height to 2 courses of brick. The air spaces in concrete building tile varied from 50% to 75% of their volume. The building codes in force in most cities required that concrete masonry units should have a compressive strength of at least 1,000 pounds per square inch of bearing surface as laid in the wall. Concrete structural units were laid so that the outside and cross walls arose vertically in the finished wall. Clay tile usually was laid so that the outside and cross walls ran horizontally in the finished wall. Most building codes required a compressive strength of 700 pounds per square inch for clay tile so laid, making the concrete structural units superior in load-bearing qualities.

The structural units were not usually employed for exterior surfaces of attractive dwellings, but they provided a good surface for stucco. The executives of the Association foresaw a large undeveloped market for portland cement in concrete houses made of structural units, provided that certain limitations surrounding their general introduction could be removed. Therefore, in 1927, they were considering the advisability of advertising stucco homes made of concrete structural units and of undertaking the additional promotional effort necessary to correlate the work of the concrete products manufacturers with an association advertising program.

The Portland Cement Association had been formed in 1915 with headquarters in Chicago. By 1927, it had grown until 72 companies, or 90% of the cement manufacturers in the United States, and 10 companies in Canada, Mexico, and South America, held membership. Its field work was carried on by a staff of 200 trained engineers who operated from the Chicago office and the 31 branch offices located in metropolitan leading cities of the United States. The Association's advertising, which had appeared in general magazines and in technical or trade papers for several years, had cost approximately \$400,000 annually. The advertising and the promotional efforts of the engineers were devoted to stimulating a wider use of concrete and to providing education on the proper use of concrete.

The Association was interested in research work directed toward perfecting methods for mixing concrete and developing new uses of concrete. Such research work of the organization

was conducted at the Lewis Institute in Chicago, where a special department was maintained with the assistance of the Association. These activities were unusual in that the supporting members manufactured cement, while the Association's promotional efforts were directed toward increasing the use of concrete, a product manufactured under conditions which the cooperative organization and its members could not control.

If the proposed program was undertaken, special promotional work with the concrete products manufacturers was considered necessary because of the conditions which existed among them. The structural units could be made by existing manufacturers, who usually operated on a small scale at an average profit of about \$2,000 annually. Accordingly, the establishment of a new type of manufacturer was not necessary. The concrete products manufacturers, however, were small operators, working independently with no established trade standards for their products. For example, a manufacturer customarily made from one to six sizes of blocks. The Association, therefore, would have to attempt to secure a standardization of the size of structural units in addition to securing the cooperation of producers in using a specification best suited to their available materials and to particular plants for manufacturing the concrete structural units. As a smaller part of the program it probably would be necessary in some cities to induce men to begin the manufacture of structural units in order that every large market could be adequately supplied with this new type of building material. It was estimated that approximately 60% of the concrete products manufacturers were located adjacent to cities of 25,000 population and over; the remaining 40% were seldom found in cities of less than 5,000. While some of the products were used in the erection of large buildings, such as the eight-story Motor Mart Building in Boston in which 130,000 concrete tiles were used, slightly more than 75% of the structural units probably were used in the construction of dwellings.

In addition to securing better production methods, the Association would have to devote considerable effort toward improving the manufacturers' marketing policies. In 1927, few of the concrete products manufacturers conducted aggressive promotional programs. For the most part they were mechanics who had had little merchandising experience. The units which they

manufactured had been used principally for cellar walls and foundations for homes. Purchasers of the product generally were building contractors who needed the material in small quantities. If the Association undertook a national campaign for structural units, it would be necessary for the manufacturers to do the local promotional work that would stimulate people to have homes built of structural units and stucco. To secure this cooperation, the Association would be obliged to aid concrete products manufacturers in training salesmen, in planning local advertising campaigns, and in conducting the promotional work needed to make the national advertising effective in individual cities. Such a broad educational program would necessitate the employment and training of more field men than the Association employed. These men not only would have to be trained in securing cooperation from the products manufacturers, but also would have to be taught how to train the manufacturers' salesmen. The cost of maintaining such an additional sales organization was estimated to be approximately \$150,000 annually.

Such an educational program was not considered a task impossible to accomplish, because the Association had demonstrated its ability in conducting promotional work in behalf of portland cement stucco. This promotional work for use of portland cement as stucco had been undertaken when a certain variety of stucco had proved unpopular. Stucco had become popular first in southern California and Florida. As the vogue spread to the northern states, it had been found that some stucco deteriorated or "weathered" after having been in place for four or five years. The weakness of this particular stucco was attributed to certain compounds which were not present in portland cement stucco. Some dissatisfaction with stucco was attributed also to the fact that many of the colors used were not permanent. Since portland cement stucco correctly made and applied did not deteriorate, the executives of the Association believed that some effort should be made to maintain this outlet for portland cement. Accordingly, they had set about trying to overcome the prejudice held against stucco. In one way the Association was favored in this work. Architects were favorably inclined toward the use of stucco because it was possible to gain many color effects through its use and because it was easily manipulated in creating a variety of artistic designs and ornamentations at a low cost.

The Association attacked the color problem immediately by experimenting with permanent mineral pigments to replace the use of organic pigments which had been found to fade when exposed to the sun. After it had succeeded in securing permanent pigments, the Association enlisted the cooperation of color manufacturers in the manufacture of permanent stucco colors. The next step in the program was a consultation with plastering contractors and stucco experts. From these interviews the executives of the Association concluded that the key men in solving the problem were the plasterers. They, therefore, designed a plan whereby plasterers could be educated in the use and preparation of stucco. In order to make this plan practical, the Association secured the services at various times of two or three union journeymen plasterers and trained them in lectures and demonstrations to be held at the meetings of union plasterers. At the opening of these meetings the plasterers generally were not especially interested in the work of the Association but, as the demonstrations progressed, their enthusiasm increased. Previous to starting the demonstration, the demonstrators arranged their materials, tools, and demonstration panels before the assembly. As they prepared and mixed their materials, they told the plasterers how to prepare stucco, how to spread it, how to finish different types of stucco, and how to mix colors to gain the desired shades. At the same time the demonstrators explained the merits of various stuccos and pointed out that plasterers, by encouraging the use of stucco, could double their employment.

By these efforts the executives believed that they had been successful in overcoming the disrepute of stucco, because in 1926 approximately 5,000,000 bags of portland cement were used for stucco alone in the United States. Furthermore, it was found that plasterers were continually suggesting the use of stucco to home builders and that they had now learned how to prepare and apply stucco so that it did not disintegrate. The Association was of the opinion that confidence in stucco had been restored in about two years without the use of consumer advertising.

The executives believed that their experience with stucco demonstrated their capabilities in meeting a similar situation among the products manufacturers. This new problem, however, was further complicated by the necessity of educating many architects in the use of structural units, whereas in the former problem they had

been previously converted to the use of stucco. The work among architects probably would be slow in showing results because they were known to be a conservative group, not prone to accept new materials until convinced of their worth. The Association's previous experiences with architects and engineers, however, in cases other than the use of stucco, had led the executives to believe that the educational program among architects would not present an insuperable difficulty. The major problem of the program, therefore, was considered to be that of securing the cooperation of cement products manufacturers.

There were aspects of the problem which encouraged the executives of the Association to undertake the proposed program. In some cities block manufacturing was becoming a more stable enterprise than formerly. In Milwaukee five or six medium-sized plants, employing an aggregate of approximately 30 salesmen who worked among architects and prospective home builders, were producing blocks and operating fairly satisfactorily. A similar situation existed in Toledo and St. Louis. These facts indicated that the activities of independent producers in different parts of the country could be coordinated in support of a national advertising program.

The activities of the more aggressive concrete products manufacturers revealed that a demand for homes made of structural units could be stimulated. The Association, for three or four years previous to 1927, had given some assistance to these developments, but its aid had been limited. Booklets, recommending concrete masonry for houses and picturing homes which had been made of this material in various parts of the country, had been sent to persons known to be interested in this type of construction. Another promotional activity was the free house plan service which had been maintained for those editors who wished such material for use in the building sections of their newspapers. Some model homes, which had been erected by newspapers, were made of concrete as a result of the promotional work. The relatively limited market, however, had prohibited the Association from directing extensive personal promotion to this outlet for cement, except in special cases.

The stuccoed concrete houses which had been erected in many localities had proved to be just as suitable and attractive as houses constructed of other materials. The hollow construction, afford-

ing air space which provided insulation tending to keep the house warm in winter and cool in summer, made them especially desirable. The stucco on a concrete block or tile base was weather-proof, because there was an excellent bond between the stucco and the concrete block and because the completed building tended to become a concrete unit. The rigid construction of these homes was known to minimize the upkeep expenses and repair costs. Another advantage of this type of construction was its relatively high efficiency as a fire retardant. This quality had been shown on numerous occasions when walls of buildings made of these materials had been undamaged by fire and had been used in the rebuilding of the structures. The Underwriters' Laboratories, furthermore, had conducted tests and had given this material a high rating for its fire retardant qualities.

One factor, however, which was believed to restrain people from inquiring about this type of house was the common assumption that concrete masonry houses were damp. This belief was contrary to fact as proved by Association tests and by actual housing conditions.

Concrete block houses were not extremely expensive to build, although they did cost slightly more than those constructed of wood. The relative costs of different types of construction were known from contractors' estimates of the costs for constructing a specific house used as a standard for comparison. Exhibit 1

EXHIBIT 1
COSTS OF ERECTING A SPECIFIED HOUSE ACCORDING TO TYPES OF
CONSTRUCTION

Type of Construction	Cost per Square Foot of Wall Surface
Wood studs, boarding, and siding.....	\$0.688
“ “ “ “ brick.....	1.030
“ “ “ “ stucco.....	0.740
8 inch brick.....	1.172
8 “ clay or terra cotta block and stucco.....	0.860
8 “ concrete block and stucco.....	0.856
8 “ terra cotta block and brick.....	1.276
8 “ concrete block and brick.....	1.310
12 “ concrete block and stucco.....	0.952
12 “ brick.....	1.448

indicates these relative costs in terms of the square feet of wall surface for erecting this house in the spring of 1927 in a New England industrial city of 275,000 population; the Association added 10% to the total of the cost estimates so as to include a contractor's profit in its figures.

A factor to be considered in appraising the advisability of undertaking the program was an estimate of the probable construction in 1928. There were no data available showing the number of concrete houses in the United States. The Portland Cement Association had secured annual reports from a considerable number of manufacturers of concrete masonry in the United States as to their annual output. On the basis of these reports, when all types of blocks were reduced to a uniform basis of 8 × 8 × 16 inches, the total number of units produced in the years 1924 to 1927 and the probable number to be produced in 1928 were estimated as follows:

1924.....	160,000,000
1925.....	200,000,000
1926.....	270,000,000
1927.....	350,000,000
1928.....	384,000,000

The Association executives believed that speculative building was on the decline but that many people, who had postponed building new houses during the previous four or five years of large building volume, were now ready to build. One- or two-family urban dwellings costing up to \$13,000 were regarded as being the houses erected principally by speculators, who had been slow to adopt this type of construction. Since speculators seldom sold their houses under contracts which required them to maintain the houses for a period of three to five years, they were not much concerned with the advantages of minimized upkeep costs. Some speculative builders, however, had used concrete blocks as a building material. Houses costing more than \$13,000 were regarded as those built principally by the ultimate users. It was estimated that approximately 250,000 such homes would have to be erected in 1928 in order to make the planned campaign self-sustaining. This estimate, however, probably was high, inasmuch as it did not allow for increased use of concrete units in other types of buildings, an outlet which undoubtedly would increase once the concrete products manufacturers became organized for intensive promo-

tional work in their local markets. Stated in another way, it would have been necessary more than to double the amount of cement used by the products manufacturers in 1926 to make the proposed campaign of promotion self-sustaining. It was realized that the use of personal promotion to stimulate the extensive use of concrete structural units for rural homes would be costly

EXHIBIT 2

1928 FORECAST OF PROBABLE TOTAL CONSTRUCTION IN THE UNITED STATES*

TYPE OF BUILDING	NUMBER OF BUILDINGS	PERCENT- AGE OF TOTAL	ESTIMATED COST	
			Amount	Percentage of Total
RESIDENTIAL BUILDINGS				
One-family dwellings.....	568,200	38.6	\$1,994,500,000	31.0
Two-family dwellings.....	54,350	3.7	399,200,000	6.2
One- and two-family with stores.....	6,903	0.4	71,500,000	1.1
Multi-family dwellings.....	26,520	1.8	1,175,900,000	18.3
Multi-family dwellings with stores.....	2,896	0.2	137,050,000	2.1
Hotels.....	490	.....	226,400,000	3.5
Lodging houses.....	194	.....	2,300,000	.....
All other.....	427	.....	64,000,000	1.0
Total residential buildings	659,980	44.7	\$4,070,850,000	63.2
NON-RESIDENTIAL BUILD- INGS				
Amusement buildings.....	1,540	0.1	\$191,600,000	3.0
Churches.....	2,076	0.2	116,700,000	1.8
Factories and workshops....	8,070	0.5	280,500,000	4.4
Public garages.....	8,056	0.5	126,800,000	2.0
Private garages.....	386,100	26.1	131,100,000	2.1
Service stations.....	9,520	0.6	26,800,000	0.4
Institutions.....	544	.....	100,300,000	1.5
Office buildings.....	2,915	0.2	334,300,000	5.2
Public buildings.....	474	.....	58,200,000	0.9
Public works and utilities...	1,500	0.1	76,200,000	1.2
Schools and libraries.....	2,081	0.2	257,400,000	4.0
Sheds.....	234,490	15.9	113,000,000	1.8
Stables and barns.....	115,615	7.8	190,400,000	2.9
Stores and warehouses.....	26,790	1.8	327,400,000	5.1
All others.....	19,379	1.3	31,600,000	0.5
Total non-residential buildings.....	819,150	55.3	\$2,362,300,000	36.8
Grand totals.....	1,479,130	100.0	\$6,433,150,000	100.0

* Probable 1928 Construction, Building Age Publishing Co., November, 1927.

and difficult. Since 1924, however, the miscellaneous farm uses of cement had been consistently more than 12% of the total annual shipments, so that farmers were considered well acquainted with the adaptability of concrete. Moreover, the widespread location of block manufacture made it possible to supply the rural districts with concrete structural units.

An indication of the expected building in 1928 was obtainable through the forecast of *Probable 1928 Construction* by the Building Age Publishing Company. The building activity anticipated for 1928, according to uses, size of communities, and regions, is summarized in Exhibits 2, 3, and 4. Excerpts of the conclusions relating primarily to the probable residential building, as given in this forecast, follow:

The outlook for 1928 construction is that it will approximate 1927. If there is any change at all, indications point to an improvement in 1928 rather than a recession. The only factor in the economic structure that has been perceptibly lagging in the past few years has been that of agriculture, but that improved this year and economists point out that the farmers should have about \$1,000,000,000 more to spend in 1928. Some part of this should be put into the improvement of their structures.

Residential construction continues to dominate all others, and the figures show that 63% of the value of the total probable 1928 construction (approximately twice the volume estimated for one-family dwellings alone) is residential. These figures show some startling differences in the amount of construction as between various sized places, and these should be carefully studied by those responsible for merchandising plans. The figures show also that over 80% of the actual construction (in dollars) continues to be done east of the Mississippi River.

Other points should be noted . . . the time has passed when any kind of structure will sell. Even the most moderate priced home must today have a certain degree of architectural merit, style, or looks, call it what you will. People want good-looking structures, more and better interiors, more built-in conveniences, more built-in labor-saving devices, better heating, plumbing and lighting, and finer fittings and decorations throughout.

The manufacturer of building products who would get maximum value from his sales and advertising expenditures must recognize that the merchandising problem in the building field is unusual in that the ultimate consumer is not the purchaser of his material, that the ultimate consumer, to the extent that he is a factor at all, is a factor only of acceptance, and then only after demand has been created. For example, half of the homes in America are built on speculation by

EXHIBIT 3
1928 FORECAST OF PROBABLE CONSTRUCTION ACCORDING TO CLASSES OF COMMUNITIES*

TYPE OF BUILDING	294 CITIES HAVING 25,000 POPULATION OR OVER		178 CITIES HAVING 10,000 TO 25,000 POPULATION		2,322 CITIES HAVING 2,500 TO 10,000 POPULATION		13,000 INCORPORATED TOWNS UNDER 2,500		RURAL AND FARM DISTRICTS	
	Num- ber of Build- ings	Estimated Cost	Num- ber of Build- ings	Estimated Cost	Num- ber of Build- ings	Estimated Cost	Num- ber of Build- ings	Estimated Cost	Num- ber of Build- ings	Estimated Cost
One-family dwellings.....	212,000	\$ 976,400,000	42,600	\$194,600,000	49,800	\$187,500,000	43,800	\$126,000,000	220,000	\$510,000,000
Two-family dwellings.....	28,400	214,700,000	6,300	58,400,000	6,250	49,000,000	5,600	38,500,000	7,800	38,600,000
One-and two-family dwellings with stores.....	4,300	46,300,000	998	12,600,000	900	8,600,000	405	3,200,000	300	800,000
Multi-family dwellings.....	14,200	745,600,000	2,760	174,300,000	4,950	178,000,000	3,010	61,000,000	1,600	17,000,000
Multi-family dwellings with stores	1,710	92,500,000	395	21,500,000	510	18,500,000	81	1,350,000	200	3,200,000
Hotels.....	290	138,600,000	90	42,600,000	80	38,400,000	30	6,800,000	.....	.....
Lodging houses.....	59	800,000	15	200,000	23	200,000	22	300,000	75	800,000
All other.....	221	36,400,000	62	10,400,000	57	9,600,000	42	3,400,000	45	4,200,000
Total residential buildings.....	261,180	\$2,251,300,000	53,220	\$514,600,000	62,570	\$489,800,000	52,990	\$240,550,000	230,020	\$574,600,000
Total non-residential buildings..	248,590	1,324,300,000	49,810	283,800,000	58,000	395,000,000	72,760	134,700,000	390,000	316,500,000

* Probable 1928 Construction, Building Age Publishing Co., November, 1927.

EXHIBIT 4

PROBABLE 1928 CONSTRUCTION BY SECTIONS OF UNITED STATES*

Section	Number of States	Percentage of Dollar Total
New England.....	6	6.38
Middle Atlantic.....	3	35.90
South Atlantic.....	8	10.90
East South Central.....	4	3.65
East North Central.....	5	23.40
West North Central.....	7	6.44
West South Central.....	4	5.90
Mountain.....	8	0.78
Pacific.....	3	6.65
Totals.....	48	100.00

* *Probable 1928 Construction*, Building Age Publishing Co., November, 1927.

the builder or development company; the ultimate consumer or occupant has had no say whatsoever in the selection of materials or equipment because he found the home ready-built; his "acceptance" was a factor only to the extent that the builder or development company could anticipate the kind of home that would be most readily bought by the prospective home owner.

When it is thoroughly understood by the manufacturer that two controlling factors in the building field are builder and architect, that the architect's specifications govern a large amount of construction and the builder influences these specifications . . . when the manufacturer thoroughly understands that independently of the architect the builder is responsible also for a vast amount of construction . . . when these facts are understood, there will be no neglect either of the contractor-builder or of the architect, and there will be an astonishing upward swing in the sales curve.

The magazine advertisements which the Association's executives had in mind would picture and describe attractive homes made of the concrete structural units which had been erected in various parts of the country. It was thought that the picturing of homes built would demonstrate the attractive possibilities of this type of construction. The impression that homes erected of concrete structural units were damp would be overcome by advertising the facts. Besides the advertising to the public and architects, the Association would prepare and aid in the distribution of booklets containing floor plans of houses made of concrete structural units. The aim of the whole program would be to

interest people in this type of building and to persuade them to have architects draw plans for concrete homes. The cost of such an advertising campaign was estimated at approximately \$150,000.

The final point which the executives considered before entering upon this special project, was the means by which the funds for such a campaign would be raised. The Association operated on an annual budget balanced by the dues of its members on the basis of their shipments during the second preceding year; in other words, membership dues for 1928 were based on 1926 figures. In the main, the membership was willing to continue the regular promotional activities, but the narrow margin of profit and relatively small volume on which many manufacturers operated tended to make them hesitate to contribute to extra promotional programs. Nevertheless, if submitted with executive approval, the program probably would be supported by the members. Another consideration was that the Association could not afford to recommend the additional expenditure of approximately \$300,000 in promotional work unless the effort would bring almost immediate returns. The executives believed, however, that if the advertising and the additional promotional work were undertaken, the members would begin to feel the increased demand for cement from this market soon after the campaign had begun.

The program of promotion and advertising for concrete masonry, undertaken in 1929 and carried out along the lines indicated in the plan outlined above, was continued during 1930. Advertisements typical of those circulated among producers and builders are shown in Exhibits 5 and 6. Examples of those appearing in trade journals are shown in Exhibits 7 and 8. Exhibits 9 and 10 are typical of the advertisements directed to the consumer.

COMMENTARY: In this case we find the Portland Cement Association, in its attempt to stimulate a demand for concrete masonry, proceeding along the same sound lines that characterized its efforts to stimulate the adoption of concrete for highways and streets. At the start, there was a study of the problem of how to secure proper manufacture of concrete masonry to insure satisfaction in use. Then came a consideration of the problem of developing satisfactory production and selling organizations for concrete tile and block; without satisfactory manufacture and intelligent and aggressive marketing of the

ARE YOU READY TO PROFIT



Representative of Portland Cement Association's advertising campaign. This campaign will be tried in 1929 throughout the year.

DURING 1929 the Portland Cement Association will advertise the advantages of concrete masonry for homes, stores, apartment buildings, and churches — in fact, for every suitable structural use.

This advertising will appear in the finest magazines published in America devoted to home-building, to financial and commercial circles, and to architects. It will reach people who have money to invest in large and important building enterprises, as well as the small home field. The purpose is to

CONCRETE FOR PERMANENCE and Firesafety

from NATIONAL ADVERTISING?

gain favorable consideration for concrete masonry from those who build. Some fine structures have been built with this material, and for almost every type of occupancy. Attractively displayed in double-page advertisements, pictures of these beautiful buildings will provide powerful backing for your sales force.

Are you prepared to take advantage of this national advertising? It will mean increased volume and larger profits if you are ready to build sales on the foundation of prestige and acceptance that this publicity will create.

Sales conferences for products manufacturers are being held under the auspices of the Portland Cement Association in all parts of the country. These were started last year and were well attended. They are being continued in 1929. Information about places and dates has been sent you—if you did not receive it, write for it. You should attend the conference in your territory. The new advertising will be discussed in detail. Sales methods, local publicity, and good merchandising of concrete products will be discussed by men who know their subjects.

A Service That Means Something In Concrete Masonry Sales

Five night plants making concrete masonry parts are now serviced by the Underwriters' advertising department. These plants serve architects, engineers and the buyer their concrete standard of quality is obtained at considerable cost. The product is so standard, it is recommended by the national authority, one which is competent and not subject to influence of the 12 states.

Large users of building material know the importance of the Underwriters' stamped approval. No purchase points to carrying out concrete masonry's best must find that this is often the deciding factor in choosing a sale. You should have this advantage if you output. For full particulars write to the Underwriters, 120 North Dearborn Street, Chicago.

PORTLAND CEMENT ASSOCIATION - Chicago

Exhibit 5: Advertisement addressed to concrete products manufacturers and builders by Portland Cement Association.

Good Architecture Sells



The attractive home designs shown on this page are typical of those prepared by the Architect's Small House Service Bureau. The cost of a complete set of blueprints and specifications is small—making it possible for the home builder to get good architectural planning at a sum he can afford. Good architecture will sell concrete masonry homes.

PORTLAND CEMENT CONCRETE FOR PERMANENCE

Concrete Masonry Homes

THERE is a rapidly growing interest in concrete masonry among builders of small homes. Consequently, there is a steadily developing market for the products manufacturer.

Various influences are at work before the small home builder has intelligently and generously aided as now.

His magazines are full of helpful articles. His newspaper, most likely, carries a "Home Builder's Department." A vital contributor to this department is the Architect's Small House Service Bureau, comprising a group of nationally known architects, inventing and most practical small homes—ranging in price from \$4,000 to \$12,000—are illustrated and described in many newspapers at regular intervals. The bureau will furnish complete plans and specifications for any of these designs at moderate cost.



Two homes of appeal to the Architect's Small House Service Bureau. The house on the left is a single-story house, the house on the right is a two-story house. If brought in hundreds of requests for more information, prove the service applications of good architecture.

This is a service which has been made available to you through the cooperation of the Portland Cement Association. It will help to create new business.

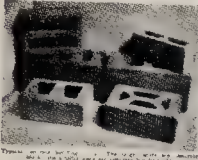
Investigate the possibilities. If your local newspaper carries a "Home Builder's Department" see if it is using this Architect's Small House Service Bureau material. If it is, your advertisement on the same page will be a splendid investment. An invitingly-designed home—concrete masonry walls specified—and your offer to provide the concrete masonry unit—will prepare the way for you and your salesman.

ASSOCIATION, Chicago AND FIRESAFETY

CONCRETE MASONRY CONSTRUCTION

Characteristics of Concrete Masonry

CONCRETE MASONRY is a term commonly used to denote an assembly of concrete block, concrete tile or concrete brick employed in building construction. The concrete building units used are precast either by the "molded" or "cast" process. Reliable manu-



facturers using either process make building units of guaranteed quality, complying with the requirements of all local building codes. Where no building code exists, concrete building units are manufactured in compliance with the standards of the American Concrete Institute, reproduced in full on pages 41 and 42.

Concrete Block

Concrete block are made in several sizes and shapes. The standard 8 by 8 by 16-inch size is the most widely used. Laid up in a single thickness it produces a wall 8 inches thick and measures 8 inches high. The 8-inch height is equivalent to three courses of brick, a size relation which is found convenient in building block with the latter material. See page 28 for methods of bonding. Block are also made regularly in the 10 and 12-inch widths with 8-inch heights and 16-inch height. Veneer and partition block can be had in 2, 4 and 6-inch widths. There are well suited for all non-bearing purposes. To facilitate construction, corner block, joint block, sill, lintel, and other

specials are generally made in dimensions to accord with those of the normal block used in the wall. Common types of block are shown on page 33.

The amount of air space in concrete block varies from 20 to 40 per cent of their volume, but in most common types it approximates 30 per cent. The tendency in recently designed types is to increase the percentage of air space to about 40 per cent, producing a lighter unit, easier to handle and quicker to lay.

Concrete Building Tile

Concrete building tile are smaller and lighter than concrete block. A larger proportion of their volume is air space, usually from 50 to 75 per cent of the gross volume. Tile are usually 12 inches long and 8 inches wide. Twelve-inch walls can be built with the same size units that are used in making 8-inch walls, merely placing the tile side other way in the wall. Heights of tile vary, inside common use. One 3 by 8 by 12-inch tile is equivalent in volume to six common brick; one 3 by 8 by 12-inch tile to five common brick. One course of 3 by 8 by 12-inch tile is equal to two courses of brick in height. Three courses of the 3 by 8 by 12-inch tile are equal to four courses of brick. (See page 34.)

As in the case of concrete block, manufacturers regularly furnish fractional length tile, door and window frame joint tile and other specials. Common types of concrete building tile and typical specials are shown on page 34.

Light Weight Concrete Units

Light weight concrete block and concrete building tile are also manufactured in standard sizes. They are marketed under various trade names such as "Clitex", "Clender Block" and "Hayden" which are derived from the aggregate used in their manufacture—clinker and burned shale. Units made with light weight aggregate possess advantages other than a saving in weight. They afford good insulation against heat, cold and sound and provide an excellent plaster and ceiling base.

CHARACTERISTICS OF CONCRETE MASONRY

Surface Finishes

Due to the variety of color and texture treatments available, there is a growing preference for portland cement stucco as a finish for concrete masonry construction. Several popular stucco finishes are described and illustrated in the chapter on portland cement stucco, pages 15 and 16. Suggested specifications for the application of portland cement stucco on concrete masonry walls are found on pages 42 and 43, and page 50 shows construction details.

The surfaces of concrete block and tile are sufficiently rough to provide a strong mechanical bond for portland cement stucco. The uniform density of these units provides uniform suction, minimizing the possibility of blistering and the irregular behavior of color, both commonly due to variations in suction. Uniformity of texture which is characteristic of concrete masonry gives uniform mechanical bond which is equally as important as uniform suction. Portland cement stucco unites so closely with concrete masonry that once troweled it is practically impossible to separate the two materials.

Finishing surface finishes can be given concrete block or tile by using selected colored aggregates in the facing mortar. For example, white mortar with a sprinkling of black marble or green black copper slag gives a surface resembling natural marble. Buff pigments and graded marble chips with a sprinkling of mica produce a surface similar to limestone but with a life and sparkle resembling natural granite. Wide selections of textures and colors are available—including



the entire range of marble, granite, sand and gravel and material pigments, the resulting surfaces will be found to and showing individuality of character.

Face brick, terra cotta, concrete and stone surfaces are often desired as an exterior finish for concrete masonry. Back-up for such material. Built-up on and the facing is secured by heads of brick. See drawings on page 35.



Concrete Masonry Construction for Enduring and Firesafe Structures

Concrete for Permanence

Portland Cement Association

Some Interesting Facts About This New Building Material

Concrete block and building tile were developed in response to a persistent demand for easily handled structural units possessing the great strength and known weather-resisting qualities of concrete . . . So spontaneous has been the acceptance of these superior units that millions are used in building construction annually, despite the fact that they are probably the youngest members of the masonry unit family . . . True to size, perfectly balanced, concrete block and building tile make for speedy erection and consequent building economy. Everyone should know about these exceedingly adaptable building units.

SEND FOR FREE BOOKLET

"Concrete Masonry Construction for Enduring and Firesafe Structures"

The two pages reproduced above are from the book "Concrete Masonry Construction"

PORTLAND CEMENT Association

Concrete for Permanence and Firesafety

CHICAGO



Stone Tile Store Building, 8100 Beverly Boulevard, Los Angeles; Vincent Palmer, Architect

Concrete Masonry Meets All the Requirements of Business

BUSINESS demands *firesafety*. Even adequate insurance does not compensate for lost sales in busy seasons, when fire necessitates temporary quarters. Walls of concrete masonry reduce this hazard to a minimum.

Business profits from attractive, modern structures. Customers prefer to trade with aggressive, well-established merchants whose stores are invitingly up-to-date. Concrete masonry adapts itself easily to the newer architectural motifs.

Business structures yield maximum income when maintenance costs are low. Concrete masonry walls defy time and weather—as well as fire. They are rugged, substantial, long-lasting. Investigate these qualities—and build business structures that attract desirable tenants.

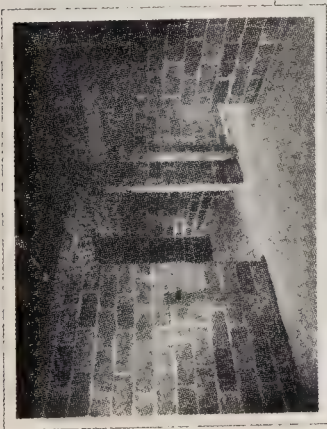
PORTLAND CEMENT ASSOCIATION

Los Angeles

CONCRETE FOR PERMANENCE AND FIRESAFETY

Exhibit 8: Trade journal advertisement used by Portland Cement Association.

The Modern Trend in toward



The modern trend in architecture is toward the use of concrete. Concrete is a material that is strong, durable, and fireproof. It is also a material that is easy to work with and can be used in a variety of ways. Concrete is a material that is becoming more and more popular in modern architecture.



Concrete is a material that is becoming more and more popular in modern architecture. It is a material that is strong, durable, and fireproof. It is also a material that is easy to work with and can be used in a variety of ways. Concrete is a material that is becoming more and more popular in modern architecture.

Home Building is Concrete Masonry



Home at 8 W. 10th St., Chicago, Ill. This is a concrete masonry house. It is a two-story house with a gabled roof and a prominent chimney. It is surrounded by trees and a lawn.

POPULAR statement has long demanded fireproofing in schools, hotels, apartments and public buildings. Surely it is of equal importance that every home be as fireproof as you can make it.

Concrete construction is the only universal factor with home builders and architects for it provides fireproof facilities, but without heavy and expensive walls.

Many decorative exterior effects may be attained with concrete masonry.

Exposures of Portland cement and brick or stone are widely used. Exposed masonry surfaces, too, are suitable for many architectural treatments.

There is genuine economy in building about with concrete and partition walls, and floors of concrete. Added durability and low maintenance expense more than offset the slight extra first cost.

When you build a home, it is a mistake to build a home that is not fireproof. Concrete masonry is the only material that will protect your home from fire.

PORTLAND CEMENT
CONCRETE FOR PERMANENCE

ASSOCIATION
AND FIRE SAFETY
Chicago

Exhibit 9: Advertisement directed to consumers by Portland Cement Association.

Concrete Masonry Construction Makes Fine Homes Firesafe

IT IS easy to understand why an ever-increasing number of fine homes are being built with concrete masonry walls and concrete floors. This type of construction not only assures utmost durability and strength, but of even greater importance to the owner of every fine home-- *firesafety*!

Here is complete protection for your investment in the home itself, and its furnishings. Rare libraries that can never be replaced, costly rugs and tapestries, prized trophies and mementos of earlier years-- for the loss of these no insurance can adequately compensate. They must be *safeguarded* from fire.

Then, too, there's the peace of mind which fire-safety creates. Entire freedom from anxiety. Frets that



Residence, 1414 East Lincoln Avenue, Chicago, Illinois. Built with concrete masonry walls and floors.

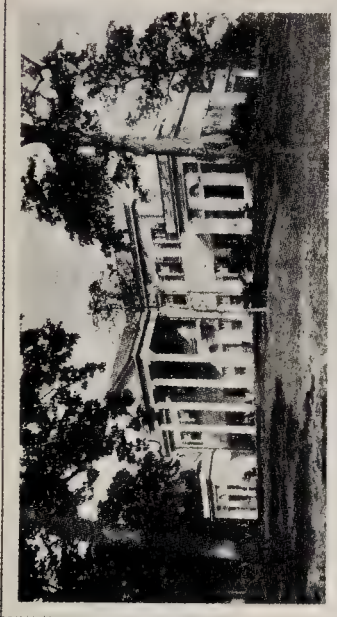
originate in the basement and many of them do-- are completely isolated from living quarters by a concrete floor. These homes are assured utmost protection.

Another feature of this modern

construction is its resistance to fire. Concrete masonry walls (think of them as concrete masonry) is virtually fireproof, with insulating air space between outer and inner surfaces. Homes thus protected may be kept brightly lit all day, with no summer's hottest days. With a smaller expenditure for fuel than is customary, they may be kept comfortably cozy in the zero cold of winter.



Residence, 1414 East Lincoln Avenue, Chicago, Illinois. Built with concrete masonry walls and floors.



Residence, 1414 East Lincoln Avenue, Chicago, Illinois. Built with concrete masonry walls and floors.

When these qualities are added to the strength and remarkable durability of concrete masonry, its ever-increasing use in the construction of fine homes and country estates is simply a matter of course.

During recent years the manufacture of concrete masonry units has been developed with particular regard for the needs of home building. These units are made by mixing portland cement with water and other suitable materials such as sand, pebbles, crushed stone, cinders, burned shale, or slag. Necessary standards of size and quality are everywhere carefully maintained.

When reasonable skill and care are exercised in mixing the cement mortar and laying the units, a wall of great strength and stability of virtually indefinite duration.

The fact that concrete masonry is a fireproof material is a well-known fact. It is a material which will stand up to the fiercest fire.

the beauty of concrete floors, treated in any one of many charming ways-- these are matters of the greatest interest and importance to every fine home builder.

Before you plan your home, become familiar with this modern construction material. Let us send you complete information, including translated literature on the subject.



PORTLAND CEMENT
CONCRETE FOR PERMANENCE
ASSOCIATION
AND FIRESAFETY
Chicago

Exhibit 10: Advertisement directed to consumers by Portland Cement Association.

product, actual demand for cement from this market was not likely to result. Beyond this activity was study of the part that advertising and publicity might play in educating architects, builders, and consumers concerning the merits of concrete masonry construction.

As in the other cases studied, the Association realized the need of producing actual sales to compensate for promotional expenditures made. Such a policy leads to a careful estimate of sales resistance to be met and is conducive to the building of complete plans of sales and advertising strategy to overcome difficulties to be met. It was clearly wise to employ a personal force to work with concrete masonry manufacturers as a means of bringing about a desirable standardization in cement tile and blocks and of insuring proper manufacture of them. Equally important, and perhaps more difficult, was the task of helping to develop intelligent selling organizations among these manufacturers.

Advertising to architects, contractors, speculative builders, and prospective home owners was a logical undertaking. A study of the advertising will show that the appeals to those addressed, whether architects, contractors, or prospective builders, were interesting and specific. The advertisements addressed to architects and builders offered helpful specification material and paved the way for intelligent selling effort by concrete masonry manufacturers. Those addressed to consumers were well designed to arouse interest leading to further inquiry, with consequent opportunity for personal selling effort. Through the use of booklets and the follow-up of inquiries, a coordinated program striving for actual sales was secured.

The advertising was launched at a time when the trend in building operated against a ready stimulation of demand. In spite of this difficulty, however, the Association apparently was able to make headway. Also, the establishment of concrete masonry manufacturers on a stable basis provides a basis for future realization on expenditures made.

December, 1930

N. H. B.

NEW ENGLAND GAS ASSOCIATION

TRADE ASSOCIATION—GAS

SALES PROMOTION—*Adoption of Cooperative Advertising by Regional Trade Association.* Believing that cooperative advertising to create primary demand for the domestic use of gas was essential for a satisfactory rate of expansion in the industry, several members of a regional gas association instituted a campaign of newspaper advertising by the association. The campaign, which was supported by 70 operating companies and 30 appliance manufacturers, had the following objectives: to engender a favorable attitude toward gas as a fuel for many purposes rather than merely to stimulate the sale of specific gas appliances; primarily to secure increased consumption of gas by consumers who already were using it rather than to extend the market by securing new customers; and, through local advertising and sales effort by individual cooperating companies, to crystallize into actual sales the general demand induced by the association's institutional advertising.

COOPERATIVE ADVERTISING—*Coordination of Individual Sales Efforts with Association Advertising.* A regional gas association carrying on a newspaper advertising campaign to increase the domestic use of gas, offered several types of dealer helps for individual companies, but left to these companies the initiative in coordinating with the campaign their local advertising for the specific sale of appliances. After seven months of the campaign, the association learned that, while only 15% or 20% of the cooperating companies had taken advantage of the selling material offered, those companies which had effectively coordinated their sales effort with that of the campaign had experienced a considerable sales stimulus and appeared satisfied with the progress of the campaign.

(1928)

Several years previous to 1928, the New England Gas Association had attempted to organize a cooperative advertising program, but without result. The American Gas Association, the national organization of the gas industry in the United States, had also discussed cooperative advertising but had never arrived at a final decision concerning its use. In April, 1928, the New England Gas Association finally inaugurated a campaign of newspaper advertising in New England cities and towns in an effort to stimulate the use of gas.

Sales of manufactured gas in the United States had increased rapidly since 1900.¹ This progress may be determined from Exhibit 1, which shows, for the manufactured gas industry, not only the sales of gas in cubic feet but also the number of customers served.

EXHIBIT 1

TOTAL CUSTOMERS AND TOTAL ANNUAL SALES OF MANUFACTURED GAS
IN UNITED STATES, 1901-1927*

YEAR	CUSTOMERS	SALES OF GAS IN THOUSAND CUBIC FEET	RELATIVES† 1901 = 100	
			Customers	Sales
1901	4,200,000	101,625,000		
1902	4,280,000	92,715,000	102	91
1903	4,360,000	105,676,000	104	104
1904	4,440,000	113,930,000	106	112
1905	4,520,000	112,444,000	108	111
1906	4,600,000	122,850,000	110	121
1907	4,875,000	132,012,000	116	130
1908	5,150,000	138,570,000	123	136
1909	5,425,000	143,118,000	129	141
1910	5,700,000	149,431,000	136	147
1911	6,020,000	159,101,000	143	157
1912	6,340,000	178,229,000	151	175
1913	6,660,000	188,286,000	159	185
1914	6,980,000	198,839,000	166	196
1915	7,300,000	204,310,000	174	201
1916	7,600,000	231,381,000	181	228
1917	7,900,000	264,493,000	188	260
1918	8,200,000	271,593,000	195	267
1919	8,484,000	300,000,000	202	295
1920	8,837,000	319,888,000	210	315
1921	9,200,000	326,951,000	219	322
1922	9,400,000	350,000,000	224	345
1923	9,800,000	384,722,000	233	379
1924	10,200,000	405,200,000	243	399
1925	10,600,000	421,400,000	252	415
1926	11,047,000	455,631,000	263	448
1927	11,450,000	471,000,000	273	463

* American Gas Association, *Statistical Bulletin No. 6*, October, 1928.

† Relatives computed from the Association figures.

In Exhibit 2 are shown the annual sales of gas in the New England states from 1923 through 1927. These data are not available for previous years.

¹ Natural gas was not available to New England. The nearest producing state was New York, from which gas was transported only into Canada and Pennsylvania. The problem faced by the New England Gas Association was one of the production and sale of manufactured gas exclusively, and the discussion in the case relates only to that type of fuel.

EXHIBIT 2

TOTAL ANNUAL SALES OF MANUFACTURED GAS IN NEW ENGLAND STATES, 1923-1927*

Year	Sales in Thousand Cubic Feet	Percentage Increase over 1923
1923	37,172,332	
1924	36,674,230	1.3(decrease)
1925	37,705,379	1.5
1926	40,552,527	9.0
1927	41,754,530	12.3

* Statistical Department, American Gas Association.

The ratio of sales of gas in New England to sales of manufactured gas in the United States had been declining, as shown in Exhibit 3.

EXHIBIT 3

SALES OF MANUFACTURED GAS IN NEW ENGLAND AS PERCENTAGE OF TOTAL SALES IN UNITED STATES, 1923-1927*

1923.....	9.66%
1924.....	9.06
1925.....	8.95
1926.....	8.90
1927.....	8.85

* Derived from Exhibits 1 and 2.

A number of the members of the New England Gas Association were not satisfied with the natural unstimulated increase in the demand for their product. They believed that the future held great possibilities for gas as a fuel, and they wished to make a determined effort to secure for the gas industry as quickly as possible the important position in the economic life of New England which they believed it merited. These members secured a survey which had been made by Crossley, Incorporated, for the American Gas Association. This research appeared to indicate that the gas industry had been backward in disseminating information about the services which gas could perform and in undertaking aggressive marketing methods.

A small conference of major executives of the New England gas industry met in December, 1927, and accepted a tentative outline of a cooperative program. After a series of committee meetings, preliminary research, and a gradual formation of pro-

gram, a larger body was called together, comprising 50 or 60 executives of operating companies and representatives of gas appliance manufacturers. This body, thereafter called the New England Gas Association Publicity Conference, accepted the program outlined and perpetuated the several committees which had been appointed during the preliminary negotiations.

Organization

The Publicity Conference Committee, composed of six members, was invested with general authority in regard to the program and the solicitation of subscriptions. Working with a Boston advertising agency, it formulated copy approach; with another body known as the Merchandising Committee, composed of eight representatives of gas companies and gas appliance manufacturers, it developed schedules and indicated methods by which member companies might coordinate their activities with the general advertising.

Actual copy was submitted to a third committee named the Advisory Board for determination of questions of policy. This board comprised five major executives of New England operating companies and two representatives of advertising counsel other than the agency which had been retained.

The fourth group, which also cooperated with the Publicity Conference Committee, was termed the Appliance Manufacturing Committee and dealt with problems which particularly concerned that department of the industry.

When the campaign was under way it was found essential to secure an executive secretary upon whom devolved the clerical and executive details incident to the carrying on of committee activities.

Subscriptions to the campaign by operating companies were based on a charge of $12\frac{3}{4}$ cents a meter; by appliance manufacturers, on a charge of 1% of net billings on appliances sold to the operating companies. It was anticipated that about \$125,000 would be secured from the operating companies and about \$15,000 from the manufacturers of gas appliances. The latter amount was to be collected through the gas companies by means of a 1% publicity discount allowed by the appliance manufacturers on the net billings for appliances purchased in 1928. The copy was to be so allocated that the amount of each gas company's sub-

scription would be less than the value of the space used in its territory.

Although the advertising was calculated to benefit all appliance manufacturers, whether they sold through the operating companies or not, only those who did use the companies as distributors were solicited for support. This policy was followed because difficulty was anticipated in securing the interest of the outside group and because close cooperation was essential for the best results.

The manufacturers of gas-producing and piping equipment were also taken into consideration as logical contributors in some measure. They were not approached for funds during 1928, nor was such a move in prospect for 1929. At some later time, however, after the advertising had been in progress for an appreciable period, it was believed that their support might well be enlisted.

At the time of the first issue of copy in April, 1928, the campaign was supported by 70 operating companies, possessing 1,070,000 meters out of 1,370,000 in New England and representing about 75% of the companies in the territory. Thirty appliance manufacturers, or practically all those who sold to these companies, had also joined. A fund of about \$145,000 had been secured, \$130,000 from operating companies and \$15,000 from manufacturers. The Association expected to continue the campaign indefinitely, but subscriptions were not called for to cover longer than a one-year period.

Objectives of the Advertising Campaign

A survey of the gas industry had been conducted in 1927 by Crossley, Incorporated, for the American Gas Association. The survey was considered to apply to New England in particular as well as to the United States as a whole, since of the 38 cities from which material had been collected, 6 were in New England: Portland, Springfield, Hartford, Boston, New Haven, and Bridgeport. The important conclusions of this research were that the future advancement of gas sales to domestic users was to come largely from present customers, and that the industry could bring about this advancement through developing the maximum use of gas appliances already in the homes of those customers and through creating a demand for additional appliances by showing the advantages obtainable from use of gas.

The research organization had learned several preliminary facts from previous studies and from men in close touch with the industry. The Urban Home Equipment Survey of the General Federation of Women's Clubs had found that 75.4% of all families in cities and towns of over 5,000 population lived in quarters which were piped for gas. When this figure was compared with that of 83.9% for homes equipped for water service and when the competition of coal, electricity, and oil was considered, it was clear that a significant increase in the number of domestic customers, aside from the increase incident to population growth, was not to be anticipated. Large gas companies, furthermore, reported that of their total number of customers at least 50% used so little gas as to be unprofitable. Many families made use of gas for cooking alone, and the addition of even one other appliance in such homes would materially enhance the opportunity for profit to the companies.

Statistical Bulletin No. 3 of the American Gas Association indicated that the total sales of gas had increased between 1920 and 1925 by about 32%. During the same period, however, sales for domestic purposes had increased only 25.2% and those for commercial and industrial purposes 63.4%. Parallel figures showed that gas for domestic use had fallen from 75% of total sales in 1920 to 71.24% by 1925.

The advance in sales to domestic users had resulted largely from the addition of new customers. The increase in sales per customer during the five years amounted to only 13.4%, for the greater part of which the industrial and commercial users had been responsible.

Altogether, the problem before the industry, as far as domestic consumption was concerned, appeared to be mainly that of inducing the purchase of additional appliances and the more extensive utilization of existing appliances on the part of those who were already users of gas. The aim of the investigation was to reveal the attitude of the consuming public, and of others who were instrumental in determining the purchase of heating equipment, toward the price, operating cost, convenience, and danger of gas appliances and toward the rates of gas companies. On the basis of the answers to these and similar questions, a constructive policy of expansion might be devised.

Through several thousand personal interviews it was discovered that gas cooking ranges were almost universal in gas-

equipped homes; that gas water heaters were common, though less in use²; that gas furnaces, incinerators, laundry dryers, and space-heaters were still scarcer; and that gas refrigerators were relatively unknown. The increase in number of apartment houses, laundries, and public eating places was found to be an influence toward decreased domestic use of gas. There appeared to be a definite willingness on the part of the public to make some additional financial sacrifice for the advantages which gas appliances would provide but, on the other hand, a strong deterrent to their purchase lay in their high initial price and in the cost of operation. In general, little strenuous objection to rates for gas was found to exist as a problem of public relations, but it was obvious that those same rates in many instances prevented the increased utilization of gas service which would have been desirable from the standpoint of the operating companies. The fear of explosion or carbon-monoxide poisoning was relatively slight, as was the objection to gas odor. Most users did not properly clean and adjust their appliances. This lack of attention necessitated the preponderant part of the service which the gas companies were called on to perform.³

Based partly on this survey and partly on the experience of the men comprising the Publicity Conference Committee, the objectives of the advertising program were outlined. In the first place, the campaign was intended to engender a favorable attitude toward gas as a fuel for many purposes, and not merely to stimulate the sale of specific gas appliances. To this end the committee adopted the slogan, "Gas, the Better Fuel," which was to form a

² In homes equipped for gas service the percentage of those families which possessed no range or no water heater was as follows:

Population Groups	No Range	No Water Heater
5,000- 10,000	6.7%	35.2%
10,000- 25,000	6.9	35.9
25,000- 50,000	3.2	37.8
50,000-100,000	1.8	37.1
100,000 and over	5.0	34.2
Total—all groups	4.9	37.6

Source: Data compiled by Crossley Survey.

³ Quoted in the Crossley survey was a table indicating the extent of the use of various gas and electric devices in the homes of the United States. The information had been compiled by the General Federation of Women's Clubs from a study of nearly 8,000,000 homes in over 2,000 communities. The figures were stated as a percentage ratio between the number of families possessing the appliance in question and the total number of families in the cities and towns investigated and were further classified by population groups. An interesting indication was thus provided of the comparative status of gas and electric appliances and of their potential markets.

thread of continuity throughout all the advertising and promotion of gas. Secondly, efforts were to be made primarily to secure increased consumption of gas by consumers who were already using it rather than to extend the market by piping the homes of possible new customers. Thirdly, local advertising and sales effort by the individual cooperating concerns were depended upon to crystallize into actual sales the general demand induced by the Association's institutional advertising.

Those responsible for the campaign believed that cooperative advertising working toward the creation of primary demand for gas was essential for a reasonable rate of expansion in the industry. The competition of coal, oil, and electricity in the several functions for which they were adapted was seriously considered, as was that of all goods and services, for their share of the consumer's dollar. Other successful cooperative campaigns, such as those conducted by the Portland Cement Association, the American Face Brick Association, the paint and varnish manufacturers, and the Greeting Card Association, were cited as examples of what might be done through aggressive advertising. The education of consumers to the inherent value of gas for its various purposes was thought to be essential as a means of offsetting the strenuous sales methods used in other industries. The gas industry had lagged behind

It must be noted, however, that these figures, unlike those in the table of the preceding footnote, were calculated in relation to all families and not merely to those families whose homes were equipped to receive gas or electric service.

GAS AND ELECTRIC APPLIANCES IN USE IN THE UNITED STATES, 1927

Expressed in Percentage of Homes Possessing Appliances to Total Number of Homes in Total and by Population Groups

Type of Appliance	5M to 10M	10M to 25M	25M to 50M	50M to 100M	100M & over	Total of All Classes
Gas lighting.....	3.4	6.7	11.3	6.5	10.0	9.7
Gas ranges.....	47.9	50.9	60.2	69.0	79.2	70.5
Gas water heaters.....	19.4	21.9	25.6	33.7	50.0	37.8
Electric lighting.....	79.3	78.6	78.4	77.0	81.5	80.0
“ washing machines..	21.4	20.9	23.4	23.4	23.5	23.0
“ irons.....	58.9	61.2	60.2	54.7	67.8	63.6
“ ironers.....	1.3	1.3	1.4	1.7	2.7	1.9
“ ranges.....	3.6	2.5	1.9	1.2	1.7	2.1
“ vacuum cleaners..	28.7	29.8	30.4	34.5	37.6	34.6
“ refrigerators.....	0.7	0.9	1.0	0.8	2.0	1.3

Source: Survey by General Federation of Women's Clubs.

other industries in its promotional efforts, and it was recognized that a considerable time might be needed for its reestablishment in a favorable competitive position with other industries.

At the American Gas Association convention in October, 1928, the chairman of the Publicity Conference Committee stated the objectives of the campaign as follows:

This in brief is our entire platform—the convictions underlying our efforts:

1. The public now thinks electrically because hundreds of millions of dollars have been expended for publicity to produce that result.

2. The only proven method of influencing public acceptance of a group of products (or services) is through cooperative effort, because no single factor can afford the cost.

3. No other type of advertising can accomplish this result because all other types deal with definite appliance advantages or inducements, or with definite or temporary sales arguments or with local conditions. They lack continuity and the necessary breadth and extent of appeal from an industry standpoint.

4. The gas industry is in competition not only with the electric, oil and coal industries, but with every form of advertised commodity or service, including manufactured goods, amusement and travel enterprises, cosmetics, foods, flowers, telephones, etc., etc.

5. These enterprises have advertised for years. It will take a measurable time to put the gas industry on an equal footing.

6. While industry conditions cannot be altered by local advertising, no local enterprise can survive the fate of an industry, but local advertising is necessary to coordinate local enterprises with industry progress.

Mediums

By March, 1928, the advertising copy and local promotion material were prepared, and the actual advertising was launched on April 3. Newspapers, radio, billboards, and car cards all had been considered as mediums, but newspapers only were chosen for the first year of the campaign. Newspaper space was rated as the best basis for regional cooperative advertising on account of the number of people reached, the ability to distribute the advertising in the districts where subscribers operated, and the opportunity offered for the dissemination of longer and more persuasive copy than otherwise would be possible.

In allocating space, the circulation of newspapers in the territories of approximately 50 of the major subscribing companies

was plotted to scale on a large map of New England, in order to demonstrate visually their overlapping and indirect coverage. With this assistance, a schedule of mediums, size of copy, and number of insertions was built up. At the outset insertions were made in the leading newspapers in 46 cities of 15,000 population and over. The program was expanded until in October, 1928, the advertising was appearing in 79 cities and towns and in 132 papers, including 29 in foreign languages. These had a daily circulation of over 3,000,000 in territory in which the subscribing companies had 1,070,000 meters. It was believed in the beginning that the use of newspapers in key cities would cover practically all towns, either directly or by overlapping circulation, and that this method would provide a wider dissemination of the messages at a lower cost than could be obtained by the individual gas companies acting alone. Smaller towns subsequently were included for positive assurance that these population groups would be reached. Each subscribing company was given the opportunity to indicate its preference of local newspapers and the relative distribution of copy among them.

The basic schedule was set at two appearances a week. In the larger cities, by staggering the insertions in two or more papers, the committee obtained appearances practically every day except Sunday. The scheduled figure was scaled down to once a week in some of the small local weeklies where metropolitan papers were believed to provide satisfactory indirect coverage. The size of copy varied from a full page to a 75-line single column. The majority of insertions, however, were 12 inches by 4 columns, 10 inches by 3 columns, and 8 inches by 2 columns.

As scheduled in October, 1928, the space for the 8½ months' campaign during that year amounted to 1,067,000 lines. Some 10,000 lines of free editorials, reading notices, and write-ups proved of supplementary value. The effectiveness of the campaign had been further augmented, in the opinion of directing executives, by word-of-mouth publicity in public gatherings.

Copy Approach

The advertising copy was aimed to create in the minds of the public a desire for better living conditions, which was expected in turn to influence them toward more extensive use of gas service. Convenience, dependability, cleanliness, and comfort were to be

the basic copy themes. The attempt was made not specifically to sell appliances but to impress on consumers a realization of the needs which gas in conjunction with these appliances would satisfy. New appliances, of course, were expected to be sold on the basis of the advertising stimulus, but it was also anticipated that existing appliances would be more extensively utilized.

The campaign was arranged so that the various services of gas in the home were featured in turn, with several insertions devoted to each. The first advertisement was a general announcement serving as a forerunner for the series which was to follow. It sounded the keynote of "Gas, the Better Fuel," and dwelt on the many services of gas. The advertising then proceeded with:

3	insertions on	cooking
4	"	" water heating
4	"	" refrigeration
3	"	" cooking
4	"	" water heating
4	"	" refrigeration
2	"	" incineration
2	"	" the "all-gas home"
2	"	" water heating
3	"	" house heating
3	"	" cooking
4	"	" water heating
3	"	" auxiliary and garage heating

This schedule carried the campaign up to October 9, 1928. For the remainder of the year the schedule was as follows:

2	insertions on	home laundry
2	"	" incineration
4	"	" auxiliary and garage heating
4	"	" water heating
2	"	" the "all-gas home"

A final full-page advertisement picturing graphically all the domestic services rendered by the industry in the modern home

The changing of copy appeal from time to time was depended upon to illustrate the variety of uses to which gas might be put and to avoid the monotony in which frequent reiteration of a single theme might result. By this means also it was possible for the campaign to emphasize the service in which consumers were likely to be most interested at any season on account of climatic or other circumstances.

With respect to each of the services the copy appeals were varied. Some of the approaches on water heating were: "Health and Hot Water"; "How Could You Wash Dishes without Hot

Water?" (Exhibit 4); "Hot Water! Twenty-four Hours a Day"; and "'Cleanliness.'"

Gas refrigeration was described as noiseless, trouble-free, odorless, and dependable. Its perfect sanitation and its resultant improvement in domestic food planning were stressed. Advertising with this appeal is illustrated by Exhibit 5.

The dependability, cleanliness, silence, and labor saving of house heating by gas formed the copy appeals for that service. Three of the headlines were: "You Can Have a 'White' Home"; "'Tend Fires' Once a Year with Gas"; and "Keep Comfortable with Gas" (Exhibit 6).

The speed, cleanliness, effectiveness, and automatic control of gas cooking were brought out under such captions as: "Breakfast in a Jiffy"; "How Does She Do It without a Maid?" (Exhibit 7); and "Broiling with Gas—There's a Wonderful Difference."

Sanitation, cleanliness, and fire prevention were the bases on which incineration of garbage and rubbish was recommended. Some of the topics were as follows: "Banish the Garbage Can!"; "Who Wants the Children to Play around the Garbage Can?"; and "Perfect for Incineration." For laundry drying apparatus the headline, "Laugh at Stormy Washdays," was used. Gas fireplaces were described as cheery and comfortable, especially between seasons; and gas heating for garages was termed a protection for the automobile, as implied in the headline, "Step on It—and It Goes!", shown in Exhibit 8.

In the advertisements featuring gas for all household purposes some of the headlines were: "Gas . . . A Cheerful Silent Servant All through the Home"; "How Would You Like a Cellar Like This?"; and "Life is Easier in an All-gas Home" (Exhibit 9).

To give continuity to the campaign each advertisement contained a symbol which consisted of the word "Gas" in heavy hand-lettered type, above it an oval design surrounding a flame, and below it in smaller letters the words "The Better Fuel." The slogan "Gas, the Better Fuel" was used conspicuously throughout the copy. At the bottom of each advertisement, furthermore, appeared this statement:

For the information of the people of New England a series of messages, of which this is one, is being published by the gas industry of New England. They contain interesting facts about GAS—THE BETTER FUEL—and its importance in your home and business.

How— could you wash dishes without Hot Water?



IT'S fun doing dishes this way—hot sudsy water for washing—more hot water for rinsing. Then the satisfaction of putting away dishes that shine—they're so clean.

At least one-third of the water used in your home should be hot. And with gas you can have all you want—constantly.

Call on your gas company for demonstrations of water heating, cooking, house heating, refrigeration, incineration and many other uses for GAS—THE BETTER FUEL. Appliances that you desire may be purchased with a small down payment and convenient terms for the balance.

Hot water instantly with

For the information of the people of New England a series of messages, of which this is one, is being published by the gas industry of New England. They contain interesting facts about GAS—THE BETTER FUEL—and its importance in your home and business.

Gas
...THE BETTER FUEL

Exhibit 4: Water heating advertisement of New England Gas Association.

Now

GAS

...THE BETTER FUEL

for Refrigeration



"Everything's just as good as when we left~"

WONDERFUL . . . what gas will do.

Home again . . . and how pleasant it is to find that the even, dry temperature of below fifty degrees has kept your food fresh and wholesome.

Gas refrigeration gives you years of *noiseless* and dependable service — *guaranteed*. There are no moving parts to vibrate, hum, wear out, or to cause you bother.

It's to your advantage to buy no refrigerator without first investigating "Refrigeration with Gas."

Call on your gas company for demonstrations of refrigeration, cooking, water heating, house heating, incineration and other uses for GAS—THE BETTER FUEL.



For the information of the people of New England a series of messages, of which this is one, is being published by the gas industry of New England. They contain interesting facts about GAS—THE BETTER FUEL—and its importance in your home and business

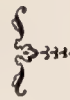
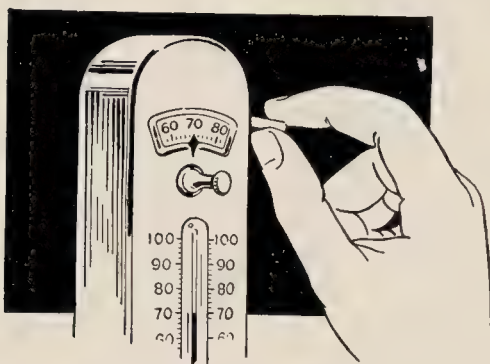


Exhibit 5: Gas refrigeration advertisement of New England Gas Association.

Keep Comfortable...
with

GAS
...THE BETTER FUEL



The temperature you want is !
AUTOMATIC.

YOU set the indicator at seventy degrees, for example, and that's where the temperature stays until you change it.

There's nothing at all to do down cellar.

If you're away from home, gas "carries on"—keeps the house at any desired warmth—prevents freezing.

And gas heat is ashless, noiseless, odorless, healthful, clean. Know more about it.

Call on your gas company for demonstrations of house heating, cooking, water heating, refrigeration, incineration and other uses for GAS—THE BETTER FUEL.

For the information of the people of New England a series of messages, of which this is one, is being published by the gas industry of New England. They contain interesting facts about GAS—THE BETTER FUEL—and its importance in your home and business

Exhibit 6: House heating advertisement of New England Gas Association.

How does she do it ...without a maid?



The Dinner She Served

Olives Celery
 *Roast Chicken, Currant Jelly
 *Fluffy Mashed Potatoes
 *Cauliflower and Peas
 Pear and Ginger Salad
 *Agricola Tapioca, Whipped Cream
 Salted Nuts Coffee

* COOKED WITH
 GAS OVER HEAT CONTROL

... entertain her friends all afternoon, and then have a delicious meal ready for them at dinner time.

The answer is—HEAT CONTROL on a new-type gas oven which cooks and bakes almost automatically, and enables busy women to enjoy other activities.

For example, a meal for six people, as shown on the menu, was placed in the oven at half past two. At six-thirty, four hours later, it was ready for serving.

So easy, and sure! The chart told her just what foods could be cooked at the same time, with the same amount of heat. It also gave the oven temperature required. She set the HEAT CONTROL—gas did the rest.

Investigate HEAT CONTROL, and other new wonder-working ways in which gas is prepared to serve you. Call on your gas company for demonstrations of cooking, water heating, refrigeration, house heating, incineration, garage heating, fireplaces, laundry drying, and many other uses for GAS—THE BETTER FUEL.

Appliances that you desire may be purchased with a small down payment and convenient terms for the balance.

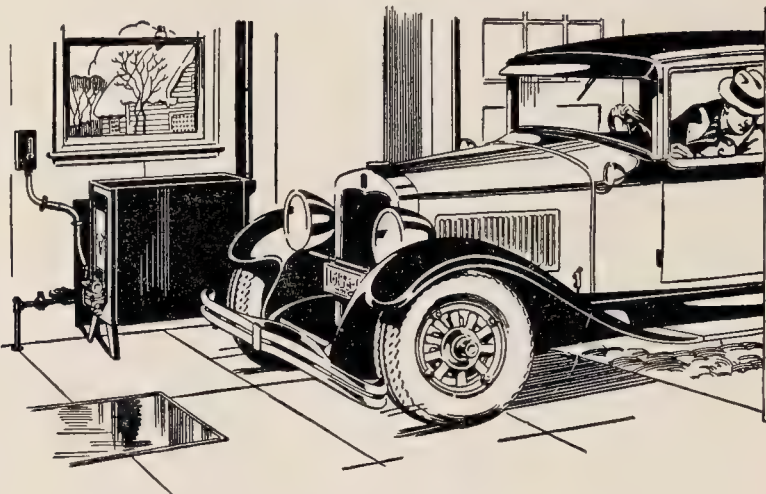
more leisure hours with..

For the information of the people of New England a series of messages, of which this is one, is being published by the gas industry of New England. They contain interesting facts about GAS—THE BETTER FUEL—and its importance in your home and business.

Gas
 ...THE BETTER FUEL

Exhibit 7: Gas cooking advertisement of New England Gas Association.

STEP ON IT ~ ... and it Goes!



HOW many, many times each winter do you go out to your garage on icy mornings, fearful that the car won't start?

Then, for a long stretch of minutes, the air is filled with the mournful sound of a battery wearing itself out, and you are fit to be tied.

A needless imposition upon your disposition, and upon your car. One of those new-type Gas Garage Heaters, that so many are praising, will save you delays, and your car costly repairs and deterioration.

It's the last word in fool-proof, scientific equipment. Turn it on or off as the weather wills. As much or as little heat as is needed, automatically maintained without attention. Investigate...

Call on your gas company for demonstrations of garage heating, laundry drying, house heating, cooking, water heating, incineration, fireplaces, refrigeration, and many other uses for GAS—THE BETTER FUEL.

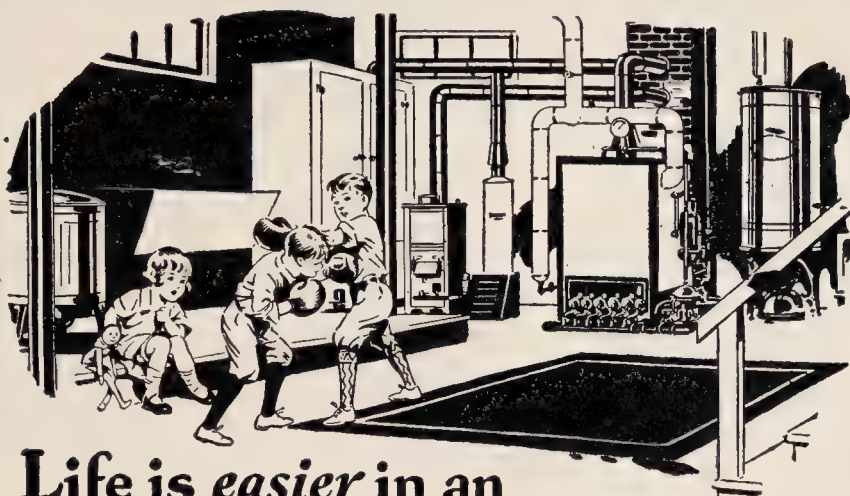
Appliances that you desire may be purchased with a small down payment and convenient terms for the balance.

a Warm Garage *with...*

For the information of the people of New England a series of messages, of which this is one, is being published by the gas industry of New England. They contain interesting facts about GAS—THE BETTER FUEL—and its importance in your home and business.

Gas
...THE BETTER FUEL

Exhibit 8: Garage heating advertisement of New England Gas Association.



Life is *easier* in an **All-Gas Home...**

Imagine, for example, the conveniences of a cellar like the one illustrated. It's from an actual photograph taken in this vicinity.

No space-consuming coal bins . . . no dust seeping through the home . . . no ash barrels to juggle . . . no odor or noise.

Now for the positive features—what gas does:

Supplies you with plenty of hot water for all purposes. Cooks your food. Cools your refrigerator. Heats your home *automatically*—keeps the temperature even and uniform, regardless of the weather outside. Burns rubbish and trash.

Gas is the better fuel because it helps us all to live easier, happier, more useful lives. Find out now what gas is ready, willing and waiting to do for you.

Call on your gas company for demonstrations of house heating, cooking, water heating, refrigeration, incineration and other uses for GAS—THE BETTER FUEL.

For the information of the people of New England a series of messages, of which this is one, is being published by the gas industry of New England. They contain interesting facts about GAS—THE BETTER FUEL—and its importance in your home and business.

Gas
...THE BETTER FUEL

Exhibit 9: Advertisement featuring gas for all household purposes, used by New England Gas Association.

The percentage distribution of the various types of copy during the 1928 campaign was as follows: the initial advertisement, 2%; cooking, 18%; water heating, 30%; refrigeration, 12%; house heating, 8%; garage and auxiliary space heating, 14%; incineration and laundry drying, 9%; the "all-gas home," 3%; and the final summary, 4%.

The relative emphasis on the several services was determined by various factors. In the first place, gas cooking, which accounted for about 65% of the domestic load, was the most popular service in point of use and might have been considered the best market for cooperative attack. Its very universality, however, left little opportunity for expansion of gas consumption in this direction. The table in footnote 2, page 196, shows the almost complete "saturation" for gas ranges, and also the much larger undeveloped outlet for water-heating. Since water heating, also judged by convenience and cost, probably appealed to a larger number of prospective buyers than any of the other services aside from cooking, it was considered the best avenue of exploitation and, therefore, allotted the most space.

Saturation, however, and the readiness with which demand might be stimulated were not the only considerations in the preparation of the schedule. Any jeopardy to the position of the gas industry with respect to a specific service was considered to make imperative an increase in the advertising for that service. It was anticipated, for example, that in 1929, on account of the increasing competition from electric ranges, more space would be devoted to cooking and less to water heating advertisements.

Some of the appliances, notably furnaces, consumed gas in greater volume than others and might for that reason have been chosen for exploitation. A number of conditions, however, interfered. Economic need for the service might be relatively slight or cost of installation high, in which event the market was restricted. Rates for gas in many localities, furthermore, did not encourage consumption in large volume. Finally, the distributing mains of some of the operating companies were inadequate to provide for a heavy increase in the load and would have been expensive to replace with larger equipment.

The novelty and romantic interest of gas refrigeration were looked on as themes for copy appeal which fitted well in the general approach of the campaign. This appliance was therefore

given more prominence in the advertising than its consumption of gas or the extent of its market was deemed to justify.

Four general factors, then, dictated the apportionment of space: the extent of the market and its expansibility; competition from other utilities providing the same type of service; restrictions due to physical equipment and to rates; and the value of a service from the standpoint of appealing copy. The final adjustment of the schedule was made on an arbitrary basis, after weighing these various influences.

Local advertising for the specific sale of appliances was left to the individual operating companies. It was anticipated that as far as possible these local advertisements would be arranged so as to coincide with the topics which were being presented by the regional campaign.

Dealer Helps and Promotion Coordination

The burden which was designed to be placed upon the local operating companies may be judged from the following statement by the chairman of the Publicity Conference Committee: "Generally speaking, the campaign advertising should constitute about 20% of the program, the balance consisting of proper merchandising of appliances, their display and appropriate sales effort, all expended at the time during which that particular type of advertising is appearing." The campaign management left to each operator the initiative for cooperating with the campaign. By way of assistance, however, the committee offered several types of material. For the retail store windows signs were designed which incorporated the campaign symbol. Stickers were prepared to be attached to packages, mailing pieces, and automobile windows. For local advertising tie-up, the committee furnished electros or mats of advertisements which appeared in the publicity campaign or of the illustrations which they contained. Reprints of the advertisements, as well as easels on which display material might be presented, were made available for display at the point of sale. These various pieces were distributed in the following numbers:

- 500,000 stickers
- 50,000 reprints of advertisements
- 4,000 window signs
- 475 store window easels
- 115 extra electrotypes for local advertising
- 50 enlarged advertisements on cards

The Merchandising Committee sought to coordinate the efforts of each participating gas company with those of the cooperative campaign. This group was entrusted with the distribution of auxiliary material and the promotion of its use.

Uniformity in the retail sales methods used by the companies was considered unattainable and not necessarily desirable. Each company had its own conception of the principles governing the marketing of appliances by a public utility. Some, aiming to make a profit on such sales, handled them much as any other retail outlet would do: others acted on the postulate that low prices for appliances, even though they involved a net retail loss, would so stimulate the consumption of the primary product, gas, as to justify their adoption in the long run. In like fashion, some of the companies encouraged the local retailers by quoting prices which would not injure their competitive standing; others believed that the retailers were not sufficiently effective in their marketing methods and wished to assume the major burden in appliance distribution. Any attempt to standardize retail procedure, other than in the use of point-of-purchase stimuli, would have run counter to the theories of a large proportion of the participants in the campaign. Likewise, such a practice was judged to be outside the scope of campaign activities and practically impossible of attainment.

Although uniformity in sales methods was not considered essential in the campaign, cooperative effort in obtaining greater uniformity in rate structures was deemed necessary if the objective of securing larger use of gas was to be accomplished. The initial cost of purchasing gas appliances was at least no more important in restricting the use of gas than were the operating charges for using these appliances. The character of the rate structures had an important bearing upon the use of gas by different groups of consumers.

The wide dissimilarity in rate structures, which had been found by the Crossley survey to exist throughout the United States as a whole, applied with equal force to New England. Each gas company devised its individual schedule for submission to the utility commission of its state, and the variation in local conditions brought about a variation in the resultant charges. Even in the fundamental approach of the gas companies, there had been little concerted effort to secure uniformity in the formu-

lation of rates. It was recognized, however, that the results of some such effort could not fail to prove beneficial to the industry. If a general policy were drawn up and adhered to by the operating companies as a whole, the definite and authoritative significance of such group action probably would not be lost on the commissions. As the situation stood, it might fairly be charged that the individual utilities were not certain of their widely differing positions. A united front, on the other hand, based on principles which were recognized to be sound, not only would lend authority to the attitude of the companies but also would result in more equitable rate adjustment. This situation was thought to have been achieved, with benefit both to the operators and to the public, by the telephone and electric utilities.

One of the problems of rate structure was the adoption of a service charge. The serving of a large proportion of gas company customers at a loss seemed to justify the assessment of a set charge for "standing ready to serve." It would thereby be recognized that consumers were receiving two types of economic service: the gas itself and the availability of the gas.

The fixed charges for small customers, arising from costs of installation, repairs, meter-reading, billing, and other overhead items, were not appreciably smaller than for those who used a larger volume. The revenue derived from these customers, on the basis of the rates generally in force, was not sufficient to cover fixed charges in addition to the cost of production and piping. It seemed evident that a service charge would insure a payment by small users more in accordance with the cost of serving them and at the same time remove from the consumers of large amounts the burden of making up the loss experienced on the small accounts.

The soundness of the service charge basis from an economic point of view also seemed apparent. Granted an initial charge adequate to absorb all or a substantial part of the fixed costs of gas service, commodity rates (charges for the gas itself as distinct from service costs) would be reduced. If the reduction were sufficient to reduce a customer's total bill, such reduction could be expected to stimulate his consumption, which in turn, if anticipated economies of larger-scale operations were realized, might result eventually in still lower commodity rates. That this

reasoning was not purely theoretical had been demonstrated by the experience of operating companies.⁴

The attitude of the State Utilities Commissions had at times in the past been unfavorable to the establishment of service charges. Currently, however, their position, as demonstrated in the proceedings of the National Association of Railroad & Utilities Commissioners in October, 1927, was as follows:

. . . It is a matter of fact that most of the public utilities other than gas have already adopted a more scientific rate form, in that they have given consideration to a proper allocation of the cost of the service and in some form or other have made provision for a charge which is designed to represent and to cover the cost of the service as an initial, permanent, regular charge, and thereafter have fixed a charge representing the cost of the commodity which they serve. It is strange that the gas utilities, the oldest in the country, have been the slowest to adopt this more scientific and equitable form of rate. Probably the gas industry on account of its age is slower to change than some of the newer giants that have sprung up in the utility field. But be that as it may, we can find no reason why the gas utilities could not and should not be allowed to amend their rate systems, nor why the commissions should not approve systems of rates for the gas utilities that will recognize these fundamental principles, that the cost of the service to each and every consumer should be taken into consideration and an allocation of a certain amount of the cost of the service should be fixed upon each and every consumer in order equitably to distribute the burden of revenue necessary to support the utility. (Extract from a report of the Committee on Public Utility Rates of the National Association of Railroad and Utilities Commissioners, presented at the 1927 annual convention of the Association and included in the Proceedings of this convention, beginning on page 431.)

⁴ For additional references on rates for gas, see:

(a) Hearing on New Schedule of Rates filed by Boston Consolidated Gas Company—D.P.U. 3031, Massachusetts Department of Public Utilities, December 7, 1927.

(b) Hearings before Massachusetts Commission concerning new rate schedule filed by Malden & Melrose Gas Company, December, 1928.

(c) *The Promotion of Community Development by Gas Companies in New England*, New England Contact Committee of New England Gas Association.

(d) Dissenting Opinions of Commissioners Van Namee and Prendergast from the decision of the Public Service Commission of New York on the two-part rate filed by the Brooklyn Union Gas Company, 1929.

(e) *Principles of Rate Making for Gas Companies*, Rate Structure Committee, American Gas Association, 1926.

(f) *Better Forms of Rates for Gas*, American Gas Association, 1927.

(g) Information Service letters #75, #78, #80 and #81, American Gas Association, 1927-1928.

A united front respecting rate fundamentals had not been attained by the New England gas utilities in 1928, but the Association was working toward that end. One purpose of the Association's campaign of advertising was to stimulate additional demand for gas by the public when rates should prove more conducive to liberal use.

Expenditure

The amount subscribed for the campaign during 1928 was \$144,436. Actual expenditures from this sum had been accounted for, through October, as follows:

Newspaper space.....	\$98,000	
Art, composition, mechanical charges, display material, etc.....	9,850	
Supervision and office expense chargeable to the campaign.....	3,060	
	<hr/>	
Total to November 1.....		\$110,910

A close estimate of costs for the balance of the year was:

Newspaper space.....	\$21,825	
Art, composition, etc.....	2,425	
Supervision.....	1,000	
	<hr/>	
Total November 1 to December 31.....		\$25,250

For the full nine months' campaign, including the estimate for November and December, the costs under each account and the proportion of the total which each represented were as follows:

Newspaper space.....	\$119,825	88%
Art, composition, etc.....	12,275	9%
Supervision.....	4,060	3%
	<hr/>	
Total expenditure for nine months.....	\$136,160	100%
Income from subscriptions.....	144,436	
	<hr/>	
Credit Balance.....	\$ 8,276	

Not only was the cost of the advertising held within the limit set by subscriptions, but a credit balance remained to augment the funds for the work of the succeeding year.

In 1929, assuming an income of \$150,000 for the campaign, the Association intended to apportion the money in the following manner, excluding from consideration executive overhead:

Newspaper space.....	\$125,000	83%
Art work, preparation, etc.....	18,000	12%
Radio.....	7,000	5%
	<hr/>	
Total.....	\$150,000	100%

Results

Late in October, 1928, the campaign had been in progress for seven months. On tangible results, in the form of increased sale of appliances or of increased gas consumption throughout the New England territory, the campaign committee had no data. It had received information, however, from certain of the operating companies, which had effectively coordinated their sales effort with that of the campaign, that they had experienced a considerable stimulus. These companies appeared to be thoroughly satisfied with the progress of the campaign.

Only 15% or 20% of the cooperating companies, however, had taken advantage of the selling material which had been offered. This lack of coordination was due partly to the inertia of the individual concerns and partly to the fact that many of them were unable to adjust their prearranged advertising schedules to that of the campaign. An improvement in local cooperation was anticipated in 1929, since by that time the actual advertising would have been in print for nine months and the industry might be expected to have a clearer conception of its purpose and effectiveness. Furthermore, the advertising departments of the individual companies would have the schedule of the cooperative campaign before them in the preparation of their promotional campaign for the year and could coordinate the two without being forced to make difficult adjustments.

As far as results in general were concerned, the campaign executives considered that any advertising the objective of which was primarily educational required some years to produce its full effect. They believed that the educational process might require a longer time for penetration in the gas industry than in other fields, inasmuch as the gas companies as a group had allowed themselves to fall behind in competition among industries. Even if the results of the 1928 campaign were not conclusive, the indefinite continuance of the advertising and sales promotion was deemed imperative in view of the competitive situation and in view of the functions which gas might potentially perform in larger and larger measure. It was hoped that the cooperative effort would be terminated only after the objectives had been attained. This program was presented in October, 1928, at the

convention of the American Gas Association. As a result, that organization reopened its discussions concerning advertising with a view to instituting similar regional campaigns throughout the country.

COMMENTARY: In this commentary I wish to center attention on a particular difficulty that is present in many cooperative promotional efforts; namely, that of securing effective coordination of the advertising and personal selling of the individual companies with the cooperative advertising program. As in this case, lack of fully coordinated efforts has been a frequent cause of ineffectiveness of cooperative promotional undertakings.

The objectives set up for the campaign of the New England Gas Association were twofold: (1) to induce gas customers to use appliances already owned to a greater extent than they had done in the past; (2) to induce them to purchase and use gas appliances which had not previously been in their homes.

The first of these aims was extremely difficult of attainment. Once an appliance was in the home, the extent of its use was, to a considerable degree, determined by the living habits of members of the household, such as the amount of cooking done, the amount of washing done, the number of baths taken, and so on. In this connection, it is to be noted that the growth in number of apartment houses, the wider use of laundries, and the increasing custom of eating outside the home were operating toward the decreased use of gas.

While the desires filled by the appliances might have been heightened through advertising and while new methods of using gas appliances might have been presented to gas customers, the opportunities for bringing about, by means of advertising, any great change in the utilization of appliances owned do not appear to have been great. Accordingly, the greatest opportunity for increasing the use of gas would seem to have lain in inducing the purchase of appliances by non-users.

Let us, then, consider what part the cooperative advertising might have played in bringing about actual purchase of appliances. To do so calls for an analysis of the character of the advertising messages which were used. The Association, rightly, deemed its advertising task to be that of presenting the primary appeals for its appliances. Appeals to the motives of *health, personal comfort, cleanliness, handiness, freedom from laborious tasks, and quiet* were designed to heighten desire for gas appliances. Presentation of specific brands of appliances and details of installations were left to the individual gas companies and to the manufacturers of appliances.

A handicap to effective advertising by the Association was encountered at the start in the matter of rate structures. In its advertising the Association was featuring, among other things, furnaces and continuous hot water; in many of the localities, however, the costs of operating a gas furnace or of providing continuous hot water were clearly, in the minds of customers, too high. Accordingly, unless the cooperating company had its rates in line, it was likely to derive little sales assistance from the appeals made in the advertising. In the advertisements, little or no reference was made to the cost of using appliances; the disparity of rates operated against effective presentation of the cost appeal. Yet this matter of cost undoubtedly was a primary consideration of those addressed. In this regard, then, the program was weak in that it did not adequately meet the consumer's viewpoint.

During the period covered by the case, the Association limited itself primarily to newspaper advertising, a medium on the whole not well suited for general educational advertising, primarily because of its brief life. Since the use of the newspaper was dictated by the regional character of the Association, however, it was necessary to fashion the advertising messages to the medium. News and novelty in presentation of the appliances were essential to the gaining of attention and interest of readers. Many of the advertisements which appeared seem to me, however, to have lacked the spark of news interest which would have secured wide reading. Many were so abstract and ordinary in presentation of appeals that they were not convincing or persuasive.

In spite of these criticisms, we may say that the program as a whole had promise of heightening consumers' desires for the appliances. The advertising was not likely in itself, however, to lead to final action on the part of customers. Purchase of almost any of the appliances pictured required a fairly large initial expenditure by the householder and a subsequent operating cost. To bring about actual consummation of sales, the real objective of the cooperators, a well-planned program of inducing individual customers to consider the actual installation of a water heater, a refrigerator, a furnace, or what not, was needed. The primary advertising was serving only to pave the way for effective selling effort by the individual companies. Cognizance of this fact was taken in the statement of the chairman of the Publicity Conference Committee, who said that "generally speaking, the campaign advertising should constitute about 20% of the program, the balance consisting of proper merchandising of appliances, their display and appropriate sales effort, all expended at the time during which that particular type of advertising is appearing."

Each gas company, being in a position to know what appliances its customers owned, had a basis for carrying on effective mail adver-

tising and personal selling to individuals. The gas companies had opportunity to display appliances in their stores at proper times. The variation in selling policies of the individual companies precluded the possibility of a uniform procedure to be followed by all. Similarity of selling method by the companies was not an essential, however, for effective coordination. What was necessary was an appreciation of the fact that the Association's advertising did only a minor part of the job of securing sales for the individual companies. For those companies which themselves assumed the burden of selling gas appliances to their customers, effective coordination could be easily attained because control lay in their hands. For those companies which relied upon retailers to bring about the sale of appliances, the task was more difficult; they should, nevertheless, have sought the cooperation of retailers in giving display and more aggressive selling effort to accompany the Association's program. The Association's advertising could not be counted on to make up for the lack of intelligent selling effort on the part of individual gas companies.

Earlier in the commentary I expressed the opinion that advertising gave little promise of leading customers to greater use of appliances already installed. The individual gas companies, however, had an opportunity, through their own activities, to help induce continuous use of appliances. This could be done in part through such an organization as a domestic service bureau, designed to give customers actual training in the use and care of appliances; in part through a plan of proper servicing of appliances to prevent faulty operation.

To secure the essential cooperation of the member companies, a Coordinating Committee was established. The material prepared for distribution by the Coordinating Committee was not sufficient in itself, however, to secure the desired results. It was merely supplementary presentation of the appeals of the newspaper advertising and did not take the place of the fully rounded selling efforts called for. And the statement of results indicates that even this supplementary material was not widely used.

The appeals being made for gas appliances were in large part those being presented by competing services, especially electricity, for their appliances. Accordingly, it was essential to determine whether the gas appliances made as strong an appeal to these motives as did the competing appliances. In so far as they failed to measure up, the advertising was likely to be ineffective. In so far as the appliances did compare favorably and in so far as the rates favored their adoption, the primary advertising promised aid in speeding up purchases by consumers. It should have been considered an aid only, however, and the failure of the individual companies to recognize the importance

of effective and pointed selling efforts on their own part was likely to cause disappointment in the results attained.

In the lack of effective provision for selling efforts by individual companies to accompany primary advertising lies one of the greatest weaknesses to be found in cooperative promotional efforts as they have come to my attention.

April, 1931

N. H. B.

INSTITUTE OF AMERICAN MEAT PACKERS

TRADE ASSOCIATION—MEAT

COOPERATIVE ADVERTISING—*Short, Intensive Campaign for Immediate Sales Stimulation.* An association of meat packers, faced with large stocks, low prices, and declining exports in the summer of 1927, decided to conduct a seven weeks' campaign of consumer advertising of ham and bacon, in the hope of preventing a further price decline by an immediate stimulation of sales. Newspaper advertising, urging immediate purchase of the products as seasonable meats available at bargain prices, represented about 60% of the advertising expenditure, the balance being used for point-of-purchase advertising and organization of the industry for cooperative assistance.

COOPERATIVE ADVERTISING—*Price Appeal for Short, Intensive Campaign. (Commentary).* In a seven weeks' campaign of advertising to induce a substantial increase in sales of ham and bacon, an association of meat packers based its newspaper advertising on a price appeal to consumers, representing these meats as seasonable foods available at bargain prices. This appeal constituted a sound approach, in the commentator's opinion. Since the campaign was not an extended educational effort, the primary appeal of ham and bacon as desirable food products was not in order, whereas effective stress of the price appeal promised immediate effect upon sales.

(1927)

At a special meeting of the Institute of American Meat Packers held in Chicago on June 8, 1927, the 150 members' representatives who attended were asked to pass on a plan for advertising and merchandising ham and bacon.

Out of approximately 1,250 meat packing establishments in the United States, the membership of the Institute numbered 215. The members, however, produced about 95% of the meat which was inspected by the Federal Government; this inspection was a requirement applying to all interstate shipments.

The Institute maintained offices in Chicago, Washington, D. C., and New York City. Its major activities were carried on in Chicago. Through the New York office, it maintained contact with eastern packers. The business of the Washington office was largely with the governmental departments having regulatory

jurisdiction over the packing industry;¹ with the Department of Commerce; with the Interstate Commerce Commission; with the Patent Office; and with the Bureau of Standards, and other bureaus and departments.

The several departments of the Institute and their functions, in brief, were as follows:

Organization and Accounting

Relations with the Chamber of Commerce of the United States and like organizations.

Advice and assistance to members, and preparation of textbooks on packing house accounting.

Nutrition

Development of information on the food value of meat.

Combating misinformation concerning the dietetic value of meat by disseminating among physicians the results of nutritional research, as conducted both by the Institute and by other agencies.

Home Economics

Education in the utilization of meats, largely by lectures to groups such as chefs, home economics classes, and other students, and secondarily by the distribution of recipe booklets in modest numbers.

Retail Merchandising

Development of greater efficiency among meat retailers.

Scientific Research

Investigation, outside the mere mechanics of packing practice, of better means for curing meats, preventing spoilage, etc.

Packing House Practice and Research

Standardization of supplies and equipment.

Experimentation with new devices and methods.

General questions of technique of packing house operation.

Waste Elimination

Questions verging on the field of trade practice, such as the reduction of excessive costs of deliveries by packer to retailer.

Livestock

Contact with livestock producers; education, for instance, in breeding stock to produce the popular lean light cuts of meat.

Purchasing Practice

Assistance to members in purchasing.

Public Relations and Trade

Interpretation of the packing industry to the public, through distribution of leaflets, charts of meat cuts, and similar material.

Industrial Education

Personnel training.

Day, evening, and home study classes in the Institute of Meat Packing at the University of Chicago.

¹ The Bureau of Animal Industry, for example, which conducted meat inspection and administered the Packers & Stockyards Act.

The Institute had assisted in the operation of a few local sales campaigns, such as a sausage campaign in Chicago, but never had conducted one that was national in scope. It had engaged, furthermore, in no cooperative advertising except for the preparation of posters, recipe booklets, and similar material in connection with these local campaigns.

The situation facing the packing industry in the summer of 1927 with respect to pork products was as follows: Stocks of pickled pork products on June 1, 1927, were 35% larger than a year before. Hog slaughterings had been larger in each of the first five months of 1927 than in the corresponding months of 1926, and reports of the United States Department of Agriculture indicated the persistence of that situation for some months longer. The average wholesale price of smoked hams at Chicago during May, 1927, was 16% lower than during May, 1926.

The domestic trade in pork was considered unsatisfactory, and exports had declined from the previous year. The total exports of cured hams and shoulders for January through May were 51,735,425 pounds in 1927, as compared with 92,963,685 pounds in 1926, a decline of 44.3%; for the same period, exports of bacon were 73,513,482 pounds in 1926, and 43,492,974 pounds in 1927, a decline of 41%. In view of sharp increases in European meat and lard production, and the advantage held by Europeans in the cost of producing pork, early substantial improvement in the volume of pork exports was not to be expected. Imports of pork and pork products into the United States were negligible in amount, as compared with exports and total consumption in the country. Exhibit 1 shows comparative import and export figures.

EXHIBIT 1

UNITED STATES IMPORTS AND EXPORTS OF PORK AND PORK PRODUCTS,
AVERAGE 1911-1913, ANNUAL 1925 AND 1926
(In thousands of pounds)

	Imports	Exports
Average 1911-1913	171	1,019,561
1925	7,235	1,241,209
1926	9,156	1,130,323

Source: *Yearbook of Agriculture*, 1930, p. 858.

Statistics on stocks, production, prices, consumption, and exports of pork are shown in Exhibits 2 to 8.

EXHIBIT 2

MONTHLY STOCKS OF PORK, PICKLED,* CURED, AND IN PROCESS OF CURE, IN COLD STORAGE WAREHOUSES AND MEAT PACKING ESTABLISHMENTS IN THE UNITED STATES, JANUARY, 1923, TO JUNE, 1927
(In thousands of pounds)

	1923	1924	1925	1926	1927
January 1st.....	377,107	434,030	398,521	294,642	306,904
February 1st....	412,806	468,892	443,025	319,726	352,681
March 1st.....	451,279	500,784	483,302	345,661	392,642
April 1st.....	469,130	512,190	468,099	346,049	420,037
May 1st.....	499,119	500,683	467,395	338,905	435,967
June 1st.....	483,673	483,372	425,481	320,305	432,965
July 1st.....	473,569	473,914	407,610	333,305	
August 1st.....	449,441	443,918	373,227	340,687	
September 1st ...	413,798	408,928	338,156	330,326	
October 1st.....	367,374	351,485	284,485	293,106	
November 1st ...	325,456	283,710	256,684	257,726	
December 1st....	384,604	299,868	261,128	266,222	

Source: *Yearbook of Agriculture*, 1930, p. 857.

* Pickled pork includes sweet-pickled, plain-brine, and barreled pork.

EXHIBIT 3

MONTHLY SLAUGHTER OF HOGS UNDER FEDERAL INSPECTION,*
JANUARY, 1923, TO MAY, 1927
(In thousands)

	1923	1924	1925	1926	1927
January.....	5,134	5,911	5,979	4,501	4,514
February.....	4,231	5,006	4,447	3,351	3,395
March.....	4,838	4,536	3,299	3,562	3,837
April.....	4,179	4,073	3,037	3,105	3,330
May.....	4,325	4,278	3,186	3,131	3,766
June.....	4,303	4,288	3,732	3,430	
July.....	3,983	4,114	2,819	3,127	
August.....	3,556	3,070	2,452	2,834	
September.....	3,212	2,857	2,598	2,616	
October.....	4,328	3,498	3,314	2,976	
November.....	5,341	4,641	3,646	3,610	
December.....	5,904	6,600	4,533	4,394	
Total.....	53,334	52,872	43,042	40,637	

Source: *Yearbook of Agriculture*, 1930, p. 855.

* The figures include rejected carcasses.

EXHIBIT 4

WHOLESALE PRICES OF SMOKED HAMS, CHICAGO, IN YEARLY AVERAGES
OF WEEKLY QUOTATIONS, 1916 TO 1926
(Dollars per pound)

1916	.185	1922	.265
1917	.252	1923	.212
1918	.318	1924	.202
1919	.343	1925	.271
1920	.334	1926	.307
1921	.268		

Source: *Survey of Current Business*, February, 1930.

EXHIBIT 5

WHOLESALE PRICES OF SMOKED HAMS, CHICAGO, IN MONTHLY
AVERAGES OF WEEKLY QUOTATIONS, JANUARY, 1923, TO
MAY, 1927
(Dollars per pound)

	1923	1924	1925	1926	1927
January.....	.202	.193	.219	.278	.269
February.....	.203	.184	.231	.288	.273
March.....	.206	.189	.269	.295	.270
April.....	.212	.190	.282	.301	.268
May.....	.211	.194	.256	.310	.259
June.....	.211	.196	.263	.340	
July.....	.217	.204	.293	.351	
August.....	.223	.222	.298	.329	
September.....	.223	.223	.292	.320	
October.....	.219	.216	.283	.303	
November.....	.209	.205	.282	.293	
December.....	.205	.207	.280	.280	

Source: *Survey of Current Business*, February, 1925, 1927, and 1928.

EXHIBIT 6

APPARENT CONSUMPTION OF TOTAL PORK PRODUCTS* IN THE UNITED
STATES, IN MONTHLY AVERAGES, BY YEARS, 1916 TO 1926
(Thousands of pounds)

1916	431,847	1922	481,376
1917	343,486	1923	588,051
1918	378,420	1924	600,103
1919	383,581	1925	524,712
1920	417,203	1926	512,824
1921	435,295		

Source: *Survey of Current Business*, February, 1930.

* Apparent consumption, including only meat produced under Federal inspection, has been computed by the U. S. Department of Agriculture, Bureau of Agricultural Economics, from the inspected slaughter, less condemned animals, plus net imports less exports and reexports and the change in cold storage holdings.

HARVARD BUSINESS REPORTS

EXHIBIT 7

MONTHLY EXPORTS OF CURED HAMS AND SHOULDERS* FROM UNITED STATES, JANUARY, 1923, TO MAY, 1927
(Pounds)

	1923	1924	1925	1926	1927
January.....	31,080,322	30,101,838	29,377,349	21,000,411	9,872,849
February.....	28,192,070	35,295,673	26,642,158	19,105,205	9,510,739
March.....	25,891,696	30,170,309	29,157,564	18,116,623	9,252,661
April.....	33,738,072	25,848,619	19,150,522	18,059,335	10,007,399
May.....	30,031,731	27,379,746	20,034,713	16,682,111	13,091,777
June.....	30,831,494	28,335,094	25,226,094	13,217,994	
July.....	36,683,186	28,589,149	20,617,661	13,512,369	
August.....	36,190,021	24,771,562	16,747,042	15,971,573	
September.....	31,749,440	17,742,180	14,335,933	11,424,776	
October.....	25,652,053	22,091,701	14,493,616	10,847,012	
November.....	32,920,404	19,393,498	16,243,191	13,105,357	
December.....	29,132,167	15,390,604	19,826,706	12,674,985	
Total.....	372,092,656	305,109,973	251,852,549	183,717,751	

Source: *Monthly Summary of Foreign Commerce*, issues of January through December, 1924, 1926, and 1927.

* Includes Wiltshire sides prior to January 1, 1924. Total export of Wiltshire sides in 1924 was 18,767,161 pounds.

EXHIBIT 8

MONTHLY EXPORTS OF BACON* FROM UNITED STATES, JANUARY, 1923, TO MAY, 1927
(Pounds)

	1923	1924	1925	1926	1927
January.....	43,352,032	42,426,660	21,631,721	21,141,972	10,015,176
February.....	36,295,790	41,004,615	18,013,098	14,980,200	9,642,004
March.....	40,548,895	31,712,705	20,112,655	13,596,675	8,566,649
April.....	34,790,325	26,390,226	10,807,591	11,569,769	7,417,281
May.....	34,576,766	14,939,578	11,064,158	12,224,866	7,851,864
June.....	28,641,168	13,033,086	12,955,961	9,471,578	
July.....	27,581,043	21,728,365	12,134,144	7,670,398	
August.....	33,003,585	24,148,591	11,974,354	12,124,031	
September.....	45,161,353	22,397,648	15,003,220	14,869,764	
October.....	46,688,757	21,161,061	13,166,019	11,741,514	
November.....	39,026,863	13,555,000	13,561,706	8,506,948	
December.....	47,130,920	14,130,275	16,404,637	9,600,653	
Total.....	456,797,497	286,627,810	176,829,264	147,498,368	

Source: *Monthly Summary of Foreign Commerce*, issues of January through December, 1924, 1926, and 1927.

* Includes Cumberland sides prior to January 1, 1924. Total export of Cumberland sides in 1924 was 27,474,879 pounds.

A rough outline of a campaign for advertising and merchandising ham and bacon was drawn up during the first week of June for presentation to representatives of members at the meeting called for the purpose on June 8, 1927. The outline provided that the period of promotional effort should extend from July 7 to August 25, in the hope that the early inauguration and brief duration of the program would prevent further price declines and possibly increase prices.

Because of the need for haste and because of the relatively large stocks and low prices for pork, the Institute evolved a selling approach which it thought paralleled that of department stores in conducting special sales. The industry was to appeal to consumers on the basis that ham and bacon were not only seasonable meats, but were also bargains at existing prices.

Territorially, it seemed essential that the campaign include not only the larger centers of population, which obviously constituted the largest markets for meat, but also those towns and cities in which member companies were located or in which they were in a position to give unusual assistance in promotion. The 147 cities which had been selected on this basis were classified in three groups: the "A" group of 39 metropolitan centers; the "I" or "Intermediate" group of 25 cities; and the "B" group, containing 83 smaller cities and towns, some of which, although of small size, were included because promotional assistance from packer-members was available in their vicinity. It was planned to graduate the intensity of selling and advertising effort between these groups on the basis of their promise as markets.

The total expenditure for the campaign had been planned at \$300,000, which it was estimated could be raised if each member company contributed one cent for each hog slaughtered or cut by it during 1925. Of this amount, it was planned to spend approximately 60% in newspaper advertising, and the balance in material for point-of-purchase advertising and in the organization of the industry for cooperative assistance.

Dependence for much of the force of the campaign was to be placed on member companies, on their 20,000 salesmen, and on approximately 200,000 retailers. As a whole, packers and meat retailers had not engaged previously in such cooperative effort. It appeared likely that some of the meat retailers would regard the proposed campaign chiefly as a means of alleviating disturbed

conditions in the packing industry, rather than as something in which they also had a definite stake.

At the end of the presentation and discussion of the plan, the members' representatives voted to accept the proposal. During the succeeding month the plan was elaborated, the funds were raised, the work of organizing the trade was started, and much of the advertising was prepared. Of the 233 companies participating in the campaign, 200 were members of the Institute and 33 were not. The campaign itself, carried out closely in accordance with the preliminary specifications, was described as follows by the advertising agency, The H. K. McCann Company, which was made responsible for its conduct:

WHY NEWSPAPERS WERE SELECTED

It obviously would have been impossible to use magazines as the media through which to reach the public, because of the long-in-advance closing dates of many magazines. Newspapers were, therefore, selected. They had the advantage of full concentration in the 147 specific local markets which the campaign was to attack. They had the further advantage of harmonizing as media with the "news" appeal of the campaign. "Special values in ham and bacon right now" was the thought—and the newspaper blended with the message because it is obviously a news type of medium. It is also a woman's shopping guide. The plans, therefore, seemed to call logically for shopping news, published in the woman's shopping news guide, the newspaper, and concentrated in local communities.

A few simple calculations served to show a known fact—that \$300,000 will not dominate newspaper space in 147 separate markets for seven weeks.

Since the campaign's object was to dominate the attention of consumers of meat as much as possible, because of the tremendous job which it faced in stimulating public interest in so brief a period, some kind of strategy was necessary to permit of bringing ham and bacon to the public's attention as quickly, forcibly, and continuously as possible, still keeping within the bounds of the appropriation.

One outstanding factor in the marketing situation made this possible.

WHY A LARGE PORTION OF THE APPROPRIATION WAS DEVOTED TO STORE MATERIAL AND PROMOTIONAL STRATEGY

Investigations had disclosed that many women visit meat stores personally on the average of three times a week. It was decided that if some method could be devised whereby these women could be reached

by ham and bacon propaganda in the stores, through displays and by means of suggestions from the meat retailers themselves, then the newspaper campaign would be strongly supplemented and the campaign, as a whole, would gain nearly complete "coverage."

Point-of-sale advertising, therefore, became a consideration of mammoth proportions. And so, too, did the subject of internal promotion. These tools for dynamizing salesforces and the trade as a means of gaining complete consumer coverage and continuous consumer pressure were considered so important that they resulted in a division of the appropriation which was believed to be quite unique.

Practically 40% of the advertising appropriation was allotted to promotion, for merchandising the campaign to the industry and trade, and for store material or point-of-sale advertising.

THE CAMPAIGN

(A) *The Four Phases or Stages*

The first stage of the campaign concerned itself with the newsy fact that "ham is a good buy now," or messages to this effect [Exhibit 9], featuring the economy and convenience of ham and bacon, especially in summer.

When this phase had partly run its course, there was thrown in a "lifting force"—namely, special sales by retailers on ham and bacon [Exhibit 10]. This was accompanied by various devices for promoting such sales and included cooperative advertisements of various kinds which will be cited later.

The third phase of the campaign leveled off to the economy and convenience themes, stimulated, however, and kept going at a greater velocity by reason of the added interest of consumer, industry, and trade, due to the sales.

The fourth stage of the campaign built up the urge to purchase whole and half hams—as a measure of economy and multiple uses for the housewife, and of volume for the industry and trade [Exhibit 11]. This last phase of the campaign reached a climax in a solid week of whole- and half-ham sales by retailers.

(B) *Distributing Machinery*

Obviously the 20,000 salesmen, in regular contact with the trade, represented an ideal channel of distributing display material and putting it to work. Obviously, also, these men knew their trade in a fairly intimate way. Their influence and powers of persuasion were strong recommendations for the plan of shifting to them the selling and organizing work involved in certain promotional schemes. Further, the penetration of the campaign would be deep if this sales machinery were used and the scope of the campaign would be forced into regions which would not ordinarily be affected even by seepage of newspaper advertising.

Special Values Now

on ham and bacon

THIS is a great year for ham. Special values exist this summer which every housewife ought to know about. Are you getting the benefit of this situation?

Go to your regular meat dealer and find out all about it. It has been a good while since this favorite summer food has been the kind of a market "buy" that it is right now.

Your meat dealer will tell you how to use all the cuts of ham. Not only baked or fried, but in omelets, rarebits, soup and salads. In fact, ham is really ideal for all around family use in the summer time.

So there is a double interest for the housewife in this meat market news. Ham is a handy summer food to have in the house, and ham is a particularly good money-saving buy right now

THE MEAT TRADE



A good meat "buy" **Ham** and Bacon

Try this Escalloped Ham and Pineapple; 2 cups uncooked ham, cubed, 6 slices pineapple with juice, or 1 cup crushed pineapple, 3 cups cooked rice, 2 tablespoons butter. Sear and slowly cook the ham 10 minutes. Place rice, pineapple and ham in alternate layers in greased baking dish; dot with butter and add pineapple juice. Cover and bake in moderate oven 1 hour.

Tested recipes—at your own store—free. Ask for them.

Exhibit 9: Newspaper advertisement used by Institute of American Meat Packers in first stage of campaign.

Special Sale

on two choice meats



BEGINNING today, retailers throughout the nation are holding special sales on ham and bacon for an entire week.

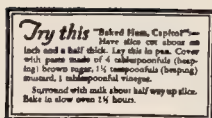
Stores in this city are joining this nationwide, special sale event. They are offering their customers extra special values on these delicious, seasonable meats.

Here is your opportunity to make your meat dollar go farther.

Ham and bacon, good the year 'round, are particularly good summer meats. Tender, sweet and juicy. No trouble to prepare. No waste. They save work—satisfy warm weather appetites and benefit your pocket-book right now.

Starting today. For seven days. Look to your own store for distinct, special savings on ham and bacon.

THE MEAT TRADE



Ham

and Bacon

Tasted recipe—at your own store—free. Ask for them.

Here is a real money saving opportunity for you

Exhibit 10: Newspaper advertisement used by Institute of American Meat Packers in second stage of campaign.

*Now—an extraordinary
Whole and Half*

Ham Sale

Aug. 19th to 25th

SAVINGS FOR FAMILIES
OF EVERY SIZE

STEP into your meat store to-
day—order ham—save
money.

Numerous stores in this city
are selling whole and half ham at
especially low levels for these
seven days. Here is an *important*
event for every family, large or
small.

Ask at your store for brand new
tested recipes—free. Remember
—you have never before had a
sale like this on a *scale* like this!

THE MEAT TRADE



Buy Now for Double Savings

Exhibit 11: Newspaper advertisement used by Institute of American Meat Packers
in fourth stage of campaign.

In order to utilize this tremendous, far-reaching salesforce, the Institute adopted the plan of appointing an official of a member company as a city chairman in each city affected by the newspaper programs. This chairman was the key man in his community. He received his instructions direct from the Institute. His duties consisted of putting in effect locally, through packers' local salesforces, all promotion plans and of organizing local salesforces for distributing store materials.

In addition to these key men, there were a number of Institute staff men transferred to certain important markets to head up the local drives there.

The plan of operation also included paid store inspectors in several large centers. Their duties were continuously to inspect stores and report daily to city chairmen any instances where store material was not displayed. In this way, waste of material and failure of purpose was overcome.

Member companies were made responsible for furthering the interest of the campaign in all possible centers outside the immediate 147 communities headed by city chairmen.

THE BULLETIN METHOD OF "CONTACT"

The Institute adopted a method of issuing mimeographed and printed bulletins to all members and all city chairmen.

During the course of the campaign there were 127 of these bulletins issued. They contained instructions, outlined plans of procedure, and kept the field machinery well oiled and working smoothly. Samples of forthcoming material were distributed in advance by the bulletin method. The bulletins also shouldered the responsibility of maintaining enthusiasm in the ranks of the industry.

THE FIRST GUN

MASS MEETINGS FOR RETAILERS

The campaign was actually opened with a number of mass meetings for retailers. The advertising fund financed these meetings. At each meeting there was an entertainment program or refreshments or both. The Ham Campaign was explained in detail from the local point of view.

An indication of the response by dealers to the mass meeting idea is shown by the fact that approximately 25,000 retailers attended over 125 meetings in various cities. Even in the metropolitan centers, attendance was large—in New York, 2,400; in Chicago, 1,400.

SALESMEN'S MEETINGS

The dealer mass meetings were held on or about June 28. Later, in July and August, there were sales meetings for packers' salesmen only in a number of the principal markets. More than 2,200 salesmen were reached in this face-to-face manner. The principal executives of large

packing companies were on the speaking programs to offer suggestions and restimulate interest.

STORE AND PROMOTIONAL MATERIAL

Its Use, Volume, Distribution, and Coverage

(A) *Display Material for the 200,000 Stores*

Store material was sent out each week beginning July 4.

Figuratively speaking, each retail store was provided with seven entirely different changes of garb—one for each week of the campaign. And each set of material harmonized with the particular phase or stage of the campaign then existing according to the four phases previously explained. A total of 4,689 separate shipments of store and merchandising material were made. The combined weight of these shipments approximated 91 tons. Seven freight cars would have been required to move this great bulk of material at one time. A single shipment to New York City and Brooklyn weighed four and one-half tons. Altogether 27,000,000 pieces of store and salesmen's material were produced and fewer than 50 cases of late arrivals were reported, indicating that shipments were more than 99% on time.

Following is a list of the store material:

- 1,075,000 posters
- 10,800,000 recipe folders
- 2,150,000 window streamers
- 825,000 novelty sheets
- 10,000,000 consumer package stickers
- 90,000 local broadsides issued by newspapers
- 2,000,000 stickers for use on hotel and menu cards
- 80,000 window streamers for drug stores (Ham Sandwich Specials)
- 20,000 proof sheets of dealers' tie-up advertisements
- 702,000 proofs of newspaper advertisements
- 30,000 retailer editions of "Ham Campaign News"

Salesmen not only supplied this material to dealers but also instructed dealers in its most effective use. Each dealer attending the mass meetings had also received a personal copy of a newspaper, the "Ham Campaign News," outlining the entire Ham Campaign plan and instructing him with respect to "cashing" the campaign for his store.

(B) *Internal Promotion and Merchandising Material*

Issued currently with this material, there was a constant barrage of selling helps emanating from the Institute to packer-members, their salesforces, and to newspapers which, as will be explained later, were called upon to accelerate the campaign's momentum. The salesman's edition of the "Ham Campaign News" was issued early, before the mass meetings, and served to bridge the gap between June 28 and the date

of the opening, July 8, at which time all salesmen were furnished with a portfolio of campaign specifications, the "Rough Out" book.

A list of the "merchandising" material follows:

- 1,000 newspaper representatives' sheets
- 45,000 announcements of winners of special sale prize awards
- 42,000 "Meat Trade Topics" house organ for salesmen
- 20,000 "Rough Out" books, outlining the campaign for salesmen
- 225,000 Prize Contest score sheets
- 48,000 folders announcing two special sales to salesmen
- 1,000,000 stickers to be issued by packers on letter heads, invoices, etc., addressed to dealers.
- 25,000 salesmen's edition of the "Ham Campaign News"

THE CONSUMER PROGRAM

(A) *Selection of Newspapers for the Campaign*

The selection of papers was predicated, in most instances, on the greatest percentage of home delivered circulation. Each paper worthy of recognition in the 147 markets was analyzed for coverage of circulation and lineage records with respect to food products (local and national), woman's wear, and department store advertising.

Whenever possible, depending upon coverage, a single paper was selected for a single market. Exceptions were made in Chicago, New York, and a few other places.

When the newspaper list was completed it comprised 161 newspapers affecting a territory inhabited by over 41,000,000 people. The circulation of the newspapers totaled 13,553,737. The average coverage of city families was 95%.

(B) *Method of Determining Schedules*

A study of the advertising competition in newspapers according to sizes of communities brought about a decision to divide the newspaper list into three parts, coinciding with the three groups of cities previously mentioned, as follows [See Exhibit 12]:

"A" GROUP—Seven advertisements—one each week:

- 2 — 5 col. \times 14"
- 3 — 4 col. \times 14"
- 2 — Full Pages

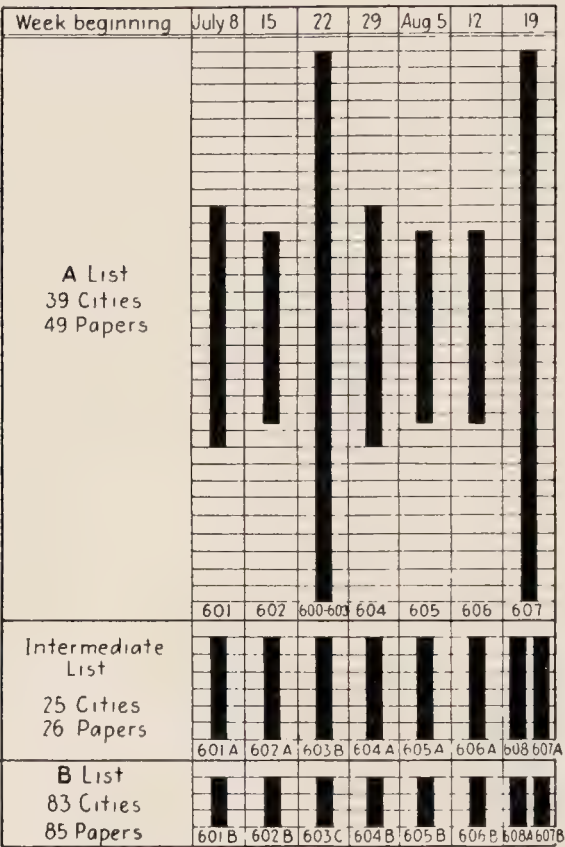
"I" GROUP—Eight advertisements—one each week for six weeks and two the seventh week:

One size only—3 col. \times 150 lines

"B" GROUP—Same as "I" group, except that ads were cut to 2 col. \times 100 lines and run "*full position*."

A careful analysis was made to determine on which day of the week each paper carried the greatest amount of food lineage. Ham ads were scheduled for this particular day, wherever it happened to fall

during the week. Instructions to publishers requested position, for each ad, on the same page or opposite and facing grocery chain store advertising—in order that the ham ads might benefit by the established and widespread chain store advertisement audience of women.



One vertical space equals five column inches
The code numbers at the foot of each column (601, 601A, 601B, etc.)
designate individual layouts

Exhibit 12: Schedule of Newspaper Advertising of Ham and Bacon by Institute of American Meat Packers, July and August, 1927.

THE ADVERTISEMENTS

- The following facts governed the copy and display treatments:
- (a) The cuts of meat to be moved were already well known to consumers.
 - (b) Appetite-appeal copy already had been published by individual companies in better form than could be equaled in a hurry.
 - (c) Quality was not unusual.
 - (d) The seasonal appeal was appropriate only for boiled hams.
 - (e) Seven weeks constituted a period too brief for a general “educational” campaign.

In view of these facts, the main objective of copy and layout was to catch the attention of as many women as possible with the news that ham and bacon were "bargains" at that particular time.

It was the department store sale idea almost exactly. Women respond to opportunities which permit savings on household purchases and this was the kind of opportunity which the packing industry had available for women.

Headlines read:

Ham Is A Good "Buy" Now

*Good News for Thrifty Housewives—Save Money Now on These Two
Delicious Meats*

The copy was short, practical, and straightforward in treating its subject. A sample lead paragraph ran as follows:

"Right now ham offers you a very special value. It is a big year for ham and bacon, and your table can benefit as well as your purse. Not for a good while has there been a real 'ham summer' like this one."

So far as layout was concerned, strength and simplicity were the goals. Because there was no brand name to restrict or narrow the generic term of the product, each advertisement carried the word HAM in giant letters. This handling possessed stark simplicity and interpreted the breadth of the cooperative idea. No individual company selling a branded product could have featured ham, as such, in this big, simple way. Similarly, probably no other device would have stood among the trade and the industry so unequivocally for the idea back of it all. The big HAM campaign. The big HAM drive. Then again, the vigorous, repetitive display of the giant word HAM, together with strong "thrift" headlines, short text, and clean, strong display, was counted upon to strike home in the woman's mind with maximum force and minimum confusion.

Appetite and flavor appeal were woven in but subordinated to the main issue: "special value." Every advertisement in the "A" and "I" cities carried a tested recipe, prepared by the Institute's Department of Home Economics, and a display line reading: "Tested recipes, at your own store, free. Ask for them."

THE ADVERTISING SIGNATURE

All advertisements were signed "The Meat Trade." This was because the campaign was so handled that in effect each city was carrying on its own Ham Campaign. Advertisements talked to "housewives of this city."

The retail stores were participants in an active sense. It was right, therefore, that the Ham Campaign should be thought of by the public as the voice of The Meat Trade—the voice of someone at home rather than some outsider, out of town and disinterested in local welfare.

THE TWO "PEAKS"—THE HAM SALES

The two ham sales, occurring during the second quarter and the final quarter, were unquestionably the most effective single elements in the consumer campaign from the standpoint of selling merchandise.

These sales have been mentioned as "lifting forces." They were, in reality, just that. They peaked the momentum of the campaign at two crucial points—midway and at the finish—and imparted a zest to these periods which can well be emphasized.

The first was a plain Ham Sale (including all cuts) running from approximately July 22nd to July 28th in all 147 local markets. The second was a Whole- and Half-Ham Sale, August 19th to 25th, featuring the unusual economy and convenience of buying ham in "bulk," so to speak.

The basic idea of the Sale Week was to persuade retailers actively to hold sales, establishing sale prices on ham and bacon for a solid week during each period. If retailers could be counted upon to cooperate, these sales were bound to attract huge consumer buying.

Prize awards were offered packers' salesmen for persuading the retailers to agree in writing to hold special sales, to offer special values and to feature the store material. A separate prize contest for salesmen was run in connection with each sale event.

Special "Sale" ads were prepared and the newspapers were lined up to assist in putting over the plan.

THE "A" CITY SALES

The advertising plan in the "A" or metropolitan cities differed somewhat, during the sale weeks, from the plans in the "B" and "I" markets.

In the latter, advertisements of regular size were used. One advertisement of the regular series was devoted to the first sale, two advertisements of the regular series were devoted to the second sale, and both of these final advertisements ran in the same or seventh week—the first a "teaser" type message leading up to the second, which announced that the sale was on.

In the big metropolitan centers, full pages were devoted to the sale. And in each city a single paper was selected for a special plan; viz., in view of the fact that during the sale the campaign was being stepped up to a page ad from smaller space, the paper was asked to sell to local dealers (and collect for) another page, at an established prorated cost, and if the project were successful, the two pages were to be used in conjunction, featuring a city-wide sale and listing the names and addresses of the dealers who had subscribed their share of the cost.

With respect to the consumer, the plan afforded the opportunity of using a smashing two-page ad which few newspaper readers could overlook. It gave the broadest possible circulation to the sale news. There was little chance, by using dominant space, that housewives generally would not be informed with regard to the special values obtainable.

This same advantage acted as a benefit to the dealers who cooperated. Not only was it possible for a dealer, who ordinarily could not afford to use the daily press, to use it in connection with this sale—to tie in with the sale to the fullest extent in a publicity way—but the big-space program, which dealer cooperation permitted, brought about an intensification of public interest, and created more sales for dealers than would have resulted from small-space publicity.

More than 30,000 retail stores, scattered throughout the 147 campaign cities and in cities not on the campaign schedule, put on special sales of ham and bacon during the two sale weeks.

During the first sale, 2,693 dealers in the "A" cities participated in and paid for special tie-up advertising aggregating 42,000 agate lines.

During the second sale, 3,054 retailers in the same cities purchased tie-up advertising aggregating close to 45,000 lines.

The total for both sales for dealer space amounted to 86,150 lines. Exactly 5,747 dealer names and addresses appeared in the sale advertisements in the 39 cities, which meant that these stores joined the tie-up advertising campaign and by so doing were definitely committed to holding full-week sales.

PARTICIPATION BY ALLIED AGENCIES

The National Livestock and Meat Board and the National Association of Retail Meat Dealers participated vigorously in a variety of ways. The Board issued publicity material and gained the cooperation of railroads, hotels, and ship lines. The Executive Secretary of the National Retailers Association wrote 92,000 retailers throughout the country requesting their support of the campaign. The Executive Secretary also corresponded with hundreds of newspapers in cities outside of the 147 markets receiving advertising, urging them to solicit advertising from meat retailers in their cities which would tie up with and further the effectiveness of the point-of-purchase advertising then on display in their stores.

Almost without exception, the more than 50 railroads approached agreed to and did cooperate by featuring ham and bacon dishes in dining cars.

The United States Lines featured ham and bacon on all of their menus.

Many of the largest hotels in the country also gave their wholehearted support by using menu stickers and featuring ham and bacon dishes.

TRADE PAPER ADVERTISING

A substantial campaign, directed to dealers, appeared in the meat industry trade journals. [See Exhibits 13 and 14.] These journals augmented the campaign also by reason of their generous editorial cooperation.

NEWSPAPER PUBLICITY

Naturally the initial cooperative advertising venture of the packing industry was a matter of news. The publicity occasioned by the industry's adventure into advertising added 11,443 lines to the campaign.

Furthermore, household and domestic science department editors are always interested in timely food articles and recipes. Hence such articles and recipes were supplied on the average of once a week to all scheduled newspapers and to many that were not directly sharing in the campaign but voluntarily requested such material. The recipe and household helps publicity augmented the campaign by 59,852 lines.

Ham and Bacon

*offer exceptional opportunity
to every dealer because they
offer exceptional values to
his customers*

and his customers are going to hear about these values in the big nation-wide campaign of

NEWSPAPER ADVERTISING

THE wholesale prices of smoke meats at this time are about 25% lower than they were a year ago. This allows every dealer to price his ham and bacon very attractively and to aim at volume turn-over.

And that is one of the best ways for you as a dealer to cash in on the intensive summer advertising campaign. *Display special prices*

—put up all the ham and bacon advertising you have room for. Distribute ham recipe folders to your trade.

See that your meat salesman keeps you supplied with your share of advertising material —and use it to get your full share of the business that is sure to be created by this mammoth campaign.

THE MEAT TRADE

Exhibit 13: Trade journal advertisement used by Institute of American Meat Packers.

RADIO

Extensive use was made of radio. Twelve prepared talks were given on 30 occasions from 10 broadcasting stations at Chicago, New York, Milwaukee, Council Bluffs, Cleveland, Seattle, Denver, Columbus, and Cincinnati.

In addition, four radio talks were provided for the National Farm Radio Council to use in connection with the farm radio broadcasting programs of some 40 stations throughout the country.

SPECIAL DEALER TIE-UP AND NEWSPAPER COOPERATION

Special series of dealer ads were prepared and were supplied to dealers anywhere, through salesmen and publishers, provided they were to be used in newspapers which had organized a dealer tie-up advertising program.

MR. MEAT DEALER:

Now for the

Whole *and* Half Ham Sale

for one week beginning Friday, Aug. 19th

THE climax of the seven weeks' drive on smoked meats! This time on big units of turnover—Whole and Half Hams.

It's the economical way for the housewife to buy—the convenient way for her to prepare a wide variety of tasty meat dishes.

And it certainly is a highly profitable way for you to sell. No waste—no shrinkage.

Finally, this sale ought to educate your customers to **keep on** buying Ham this way.

Here's what is being done to help you

Week preceding sale — you will receive package stickers and a price-list window sheet featuring Whole and Half Hams.

Week of sale—appetizing posters in color announcing the Whole and Half Ham Sale. Window streamers on the same subject. Recipe leaflets showing the women

how to use Whole and Half Hams. Newspaper advertising — every ad that week announcing in big type, "Whole and Half HAM SALE."

Here's what you can do

See that you get supplies of all this material from your meat salesman. Use every bit of it to full advantage.

Set attractive prices on Whole and Half Hams. Aim for quick turnover, and big volume.

Talk up the sale — advertise it in your store, in your local papers, in your dodgers.

Then prove your originality as a meat merchant. Devise all sorts of ways to make this sale the biggest business producer you have ever had.



*Ham business will boom that week
Get your share*

THE MEAT TRADE

Publishers extended their usual cooperation in merchandising the campaign over their own signatures in broadsides or dealer papers. They also provided a large number of windows in their own buildings for window display purposes. Their activity in merchandising locally, with the purpose of seeing that the campaign was productive, was given graciously and proved to be of inestimable value.

SUMMARY OF LINEAGE COOPERATION OTHER THAN INSTITUTE ADVERTISING

Type of Lineage	Total Lines
Recipes and Household Helps.....	59,852
Campaign Comment.....	11,443
Local Dealer Tie-Up Ads.....	63,318
Local Chain Store Tie-Up Ads.....	34,567
Local Dealer Tie-Up—1st Sale.....	41,473
Local Dealer Tie-Up—2nd Sale.....	44,677
Total.....	255,330

RESULTS

In order to check up on the effect of the campaign, the answers to three questions were sought:

1. Did the campaign result in a more favorable or a less favorable attitude on the part of dealers toward packers?
2. Did the retailers' volume increase during the campaign?
3. Did storage stocks decline and, if so, how much?

A questionnaire was sent to the newspapers in the "A," "I," and "B" cities in order to secure from retailers the answers to the first and second questions.

Answers from 216 dealers in the "A" cities, 80 dealers in the "I" cities, and 167 dealers in the "B" cities showed the following situations:

1st Question	"Yes"	"No"	No Change
"A"	58%	5%	37%
"I"	78%	2%	20%
"B"	75%	10%	15%
2nd Question	Average Increases in Volume		
	Ham Bacon		
"A"	21%	13%	
"I"	18%	12%	
"B"	28%	16%	

The third question was answered by Mr. Oscar Mayer, President of the Institute of American Meat Packers, in his Convention address in October, 1927—and also by figures on storage stocks, additions to storage, and withdrawals from storage during July and August, 1926 and 1927, supplied by the U. S. Department of Agriculture.

Mr. Mayer, basing his figures on reports covering the seven leading markets, stated:

"Notwithstanding an increase in production of approximately 8%, stocks of sweet-pickled regular hams, skinned hams, and bellies were reduced approximately 10% from July 1 to September 1.

"During July and August of last year (1926), when we had no cooperative campaign running, when production was smaller, and when weather conditions were more favorable, stocks of these meats actually increased.

"The greatest value of the campaign, in my opinion, is that it kept prices from falling to disastrous levels and prevented losses that would have been most disturbing.

"The campaign was highly successful. Some companies which participated increased their ham business in July and August as much as 300% over the same period of 1926. There were many increases of 50% and more, and, although some companies reported decreases, the average increase undoubtedly was well above 25% for ham and 15% for bacon."

The Department of Agriculture's record of stocks of sweet-pickled meats on hand in all important storage centers shows June 1st and September 1st figures for 1926 and 1927 as follows:

	1926	1927
June 1st.....	320,305,000	432,965,000
September 1st.....	330,326,000	407,511,000

They show that stocks on hand September 1, 1927, were 25,454,000 pounds under stocks on hand June 1, 1927. This figure, however, does not fully reveal the effectiveness of the ham campaign, for the reason that additional quantities were constantly being put in storage during the time that withdrawals were made. *Withdrawal figures*, therefore, are a better indication of the results of the campaign.

The Department of Agriculture figures show withdrawals from stock during July and August in 1926 and 1927 to have been as follows:

	1926	1927
July.....	190,801,000	241,524,000
August.....	188,580,000	235,388,000
	<hr/> 379,381,000	<hr/> 476,912,000

These figures indicate that the aggregate withdrawals during July and August, 1927 (the period of the campaign) exceeded withdrawals for the corresponding period of 1926 by 97,531,000 pounds. This is better than 87% of the June 1st surplus.

The following summary of the results of the campaign appeared in the foreword of an analysis prepared by the Institute's Department of Public Relations and Trade, entitled *The Ham Campaign*:

What did the packing industry get for the \$300,000 which it spent to advertise and merchandise ham and bacon during July and August of this year?

An absolutely definite answer is impossible, because of the difficulty of appraising properly all of the factors in the situation which had a

bearing on ham and bacon sales and prices during the period of the campaign and also because the effect of the campaign undoubtedly will not be confined to July and August, but will be felt possibly for several months.

However, the following brief summary of facts will be of interest:

1. Reports from 63 member companies, including some of the largest and some of the smallest companies, indicate changes in volume during the period of the campaign, ranging in the case of hams, as compared with the same period a year ago, from an increase of 299% to a decrease of 42%. Changes in bacon volume, as reported, ranged from an increase of 67% to a decrease of 33%.

The average increase in the volume of sales of all companies reporting, so far as it can be estimated from the percentage figures available, undoubtedly exceeded 25% for hams and 15% for bacon.

A tabulation of the reports received on ham and bacon tonnage appears hereinafter.

2. These increases in volume occurred with storage stocks at relatively high levels when the campaign started and in the face of a slight increase in production during July and August, as measured by hog receipts.

3. The decline in the prices of smoked hams, which began in April and continued steadily through May and June, slackened somewhat during July and during August. Bacon prices, which had declined slightly during April, May, and June, steadied during July and advanced during August.

4. An unprecedented amount of advertising, publicity, store material and recipe folders undoubtedly created a large amount of favorable public sentiment for ham and bacon.

It seems probable that ham and bacon sales would have been stimulated to some extent by the low price levels which prevailed, even though a campaign had not been undertaken. It also seems probable that the campaign stimulated sales considerably more than would have been the case without one and thereby kept prices from declining to still lower levels. It is certain that tremendous quantities of hams and bacon were moved, and that, in the case of a large number of packers, the campaign was regarded as being highly successful.

In general, but not without a few exceptions, member companies profited in proportion to the alertness, the resourcefulness, and the energy with which they made use of the advertising and the advertising material in their own organization.

The ham and bacon campaign furnished to each packer as one of its by-products, and again with exception, a very interesting index to the effectiveness of his organization, particularly as to its morale, its flexibility, and its up-to-dateness.

From the close of the 1927 campaign until the end of 1929, the Institute had engaged in no cooperative advertising program of similar extent.

In Exhibits 15 to 21 are shown figures supplementary to those in Exhibits 2 to 8, bringing the data down through 1929.

EXHIBIT 15

MONTHLY STOCKS OF PORK, PICKLED,* CURED, AND IN PROCESS OF CURE, IN COLD STORAGE WAREHOUSES AND MEAT PACKING ESTABLISHMENTS IN THE UNITED STATES, 1926 TO 1929
(In thousands of pounds)

	1926	1927	1928	1929
Jan. 1.....	294,642	306,904	320,436	375,217
Feb. 1.....	319,726	352,681	370,916	424,921
Mar. 1.....	345,661	392,642	461,264	473,916
Apr. 1.....	346,049	420,037	496,322	453,612
May 1.....	338,905	435,967	480,069	452,868
June 1.....	320,305	432,965	459,878	443,044
July 1.....	333,305	450,172	454,826	430,317
Aug. 1.....	340,687	440,744	408,994	412,649
Sept. 1.....	330,326	407,239	351,936	382,750
Oct. 1.....	293,106	341,460	285,309	342,038
Nov. 1.....	257,726	289,553	265,988	304,400
Dec. 1.....	266,222	276,916	292,626	316,180

Source: *Yearbook of Agriculture*, 1930, p. 857.

* Pickled pork includes sweet-pickled, plain-brine, and barreled pork.

EXHIBIT 16

MONTHLY SLAUGHTER OF HOGS UNDER FEDERAL INSPECTION,*
1926-1929
(In thousands)

	1926	1927	1928	1929
January.....	4,501	4,514	5,479	5,738
February.....	3,351	3,395	5,780	4,478
March.....	3,562	3,837	5,140	3,645
April.....	3,105	3,330	3,446	3,761
May.....	3,131	3,766	3,885	3,798
June.....	3,430	4,253	4,078	3,756
July.....	3,127	3,431	2,984	3,597
August.....	2,834	3,050	2,545	3,130
September.....	2,616	2,534	2,508	3,104
October.....	2,976	2,969	3,713	3,857
November.....	3,610	3,688	4,455	4,499
December.....	4,394	4,869	5,782	5,083
Total.....	40,637	43,636	49,795	48,446

Source: *Yearbook of Agriculture*, 1930, p. 855.

* The figures include rejected carcasses.

EXHIBIT 17

WHOLESALE PRICES OF SMOKED HAMS, CHICAGO, IN YEARLY AVERAGES
OF WEEKLY QUOTATIONS, 1923 TO 1929
(Dollars per pound)

1923	.212	1927	.246
1924	.202	1928	.228
1925	.271	1929	.244
1926	.307		

Source: *Survey of Current Business*, February, 1930.

EXHIBIT 18

WHOLESALE PRICES OF SMOKED HAMS, CHICAGO, IN MONTHLY
AVERAGES OF WEEKLY QUOTATIONS, 1926-1929
(Dollars per pound)

	1926	1927	1928	1929
Jan.....	.278	.269	.212	.232
Feb.....	.288	.273	.210	.231
Mar.....	.295	.270	.207	.238
Apr.....	.301	.268	.201	.248
May.....	.310	.259	.206	.249
June.....	.340	.246	.215	.254
July.....	.351	.243	.236	.267
Aug.....	.329	.235	.249	.275
Sept.....	.320	.224	.254	.267
Oct.....	.303	.233	.260	.242
Nov.....	.293	.220	.243	.218
Dec.....	.280	.214	.244	.215

Source: *Survey of Current Business*, February, 1928 and 1930.

EXHIBIT 19

APPARENT CONSUMPTION OF TOTAL PORK PRODUCTS* IN THE UNITED
STATES, IN MONTHLY AVERAGES, BY YEARS, 1923 TO 1929
(Thousands of pounds)

1923	588,051	1927	558,796
1924	600,103	1928	610,872
1925	524,712	1929	607,720
1926	512,824		

Source: *Survey of Current Business*, February, 1930.

* Apparent consumption, including only meat produced under Federal inspection, has been computed by the U. S. Department of Agriculture, Bureau of Agricultural Economics, from the inspected slaughter, less condemned animals, plus net imports less exports and reexports and the change in cold storage holdings.

EXHIBIT 20

MONTHLY EXPORTS OF CURED HAMS AND SHOULDERS FROM UNITED STATES, 1926 TO 1929
(Pounds)

	1926	1927	1928	1929
January.....	21,000,411	9,872,849	10,004,868	11,187,006
February.....	19,105,205	9,510,739	10,976,121	7,679,682
March.....	18,116,623	9,252,661	12,222,307	11,140,343
April.....	18,059,335	10,007,399	11,258,051	13,857,342
May.....	16,682,111	13,091,777	11,390,286	11,246,297
June.....	13,217,994	13,470,937	13,754,462	12,571,347
July.....	13,512,369	13,157,956	13,556,823	12,620,922
August.....	15,971,573	8,215,473	13,401,953	10,849,452
September.....	11,424,776	11,122,944	6,680,586	8,477,776
October.....	10,847,012	7,632,499	4,747,337	7,579,957
November.....	13,105,357	7,373,989	7,637,474	11,656,108
December.....	12,674,985	9,905,417	8,519,103	6,956,736
Total.....	183,717,751	122,614,640	124,149,371	125,822,968

Source: *Monthly Summary of Foreign Commerce*, issues of January through December, 1926, 1927, and 1929.

EXHIBIT 21

MONTHLY EXPORTS OF BACON FROM UNITED STATES, 1926 TO 1929
(Pounds)

	1926	1927	1928	1929
January.....	21,141,972	10,015,176	11,660,212	13,014,474
February.....	14,980,200	9,642,004	10,921,944	11,286,136
March.....	13,596,675	8,566,649	15,105,562	10,985,092
April.....	11,569,769	7,417,281	10,072,793	10,224,816
May.....	12,224,866	7,851,864	9,692,364	14,394,761
June.....	9,471,578	10,300,895	9,620,314	12,760,654
July.....	7,670,398	9,269,710	11,648,182	10,949,736
August.....	12,124,031	7,864,443	10,944,819	13,171,227
September.....	14,869,764	11,619,752	6,880,703	10,288,015
October.....	11,741,514	7,709,086	4,973,301	9,858,265
November.....	8,506,948	6,012,805	6,573,596	11,451,742
December.....	9,600,653	9,346,695	9,593,177	9,868,474
Total.....	147,498,368	105,616,360	117,686,967	138,253,392

Source: *Monthly Summary of Foreign Commerce*, issues of January through December, 1926, 1927, and 1929.

COMMENTARY: This case offers an interesting contrast to many cases of the series, such as those of the American Bankers Association, of the National Shoe Retailers' Association, of the Silverware Association, and others, in that it involved not an extended educational effort but rather an attempt in a short period of time to bring about a substantial increase in volume of sales. The case is of significance in showing the necessity in such an association program of developing a high degree of coordinated activity among the personnel of cooperators and among retailers in order to attain the desired end of increased sales.

A sound approach was adopted. The problem of the packers was not one of convincing people that ham and bacon were desirable food products. Primary appeals were not in order. The objective was to sell as much ham and bacon as possible in two months as a means of preventing accumulation of inventories. Accordingly, the play on the bargain appeal for a seasonal product was in order. Ham and bacon were widely used foods in active demand; effective stress of the price appeal along the lines planned promised immediate effect upon sales. The volume of increased sales to be expected from the campaign was a matter of conjecture; it depended in part on any decrease in price effected and in part on the manner in which the bargain appeal was presented to housewives.

One of the most significant things about the case lies in the recognition given in the plan to what is termed in the statement "internal promotion." One of the chief weaknesses of cooperative promotional programs is the difficulty of effectively coordinating personal selling efforts of cooperators. In a short-period, direct-selling campaign of the type adopted, all assignments had to be carried out to attain results. If the association had released its advertising and had failed to secure the active cooperation of the packer members and their salesforces in putting out display material and arousing enthusiasm of retailers, the campaign would have had little chance of success. In view of the buying habits of women for food products, the reliance upon point-of-purchase display was an essential to economical and effective promotion. Again, the program had as its highlights two weeks devoted to reduced price sales of the products by retailers. Unless a very substantial number of retailers had cooperated in these sales, the whole program would have been threatened with ineffectiveness. Accordingly, the strategy adopted to arouse and maintain the enthusiasm of members' salesmen and of retailers and the provision for effective direction of efforts in each city are worthy of note.

Cooperative efforts of the kind typified by this case are more nearly akin to the direct selling tasks of merchants than are the usual association promotional programs; they involve, ordinarily, less risk than do

the purely educational campaigns. The main problem to be solved seems to me to be that of stirring up and maintaining an interested personal selling effort by retailers to complement advertising. A well-knit plan leading to actual sale is essential. Accordingly, the case of the Institute of American Meat Packers furnishes an interesting experience for study.

January, 1931

N. H. B.

TRUST COMPANY DIVISION, AMERICAN BANKERS ASSOCIATION

TRADE ASSOCIATION—BANKS AND TRUST COMPANIES

COOPERATIVE ADVERTISING—*Partial Discontinuance of Campaign through Lack of Cooperation.* For five years the trust company division of a bankers' association had conducted an advertising campaign, supported by members' subscriptions, which varied according to the size of the bank. Advertising in national magazines formed the main part of the campaign, supplemented by local advertising helps furnished to subscribers. At the end of five years, because of dwindling interest on the part of subscribing banks, the trust company division decided to discontinue the magazine advertising, the results from which had been unsatisfactory to many of the subscribers, but to continue its local assistance to members, in return for a fixed annual payment.

(1926)

At the meeting of the Executive Committee of the Trust Company Division, American Bankers Association, following the St. Louis convention in September, 1919, a resolution was adopted requesting the Committee on Publicity to plan and proceed with a national publicity campaign to bring to the public's attention the desirability of naming corporate fiduciaries as protectors and conservers of wealth.

The purpose of the campaign was to present facts and data regarding the functions of a trust company, especially those under will or court appointment and those pertaining to voluntary or living trusts . . .

The principal difficulty which faces any trust company is public ignorance in regard to its services and functions. Before you can offer any man a reason for dealing with your own trust company, you must first convince him that he should deal with any trust company—that he should make a will or create a trust.

Many persons possessing large estates and fortunes are not informed about such matters. There lies with them a vast amount of business yet to be developed for trust companies.¹

The campaign of advertising thus brought into being continued from 1921 until 1926. At the end of that period, dwindling interest on the part of subscribing companies forced upon the Trust Company Division a decision as to whether cooperative advertising should be continued and, if so, in what form.

¹ Quoted from report on "The 1921 National Publicity Campaign" by the Committee on Publicity, Trust Company Division, American Bankers Association.

The American Bankers Association was founded in 1874. In 1928, it numbered among its members 20,000 banks and trust companies representing 90% of the banking resources of the United States. For convenient operation the association was divided into several large divisions representing different types of financial institutions. Besides the Trust Company Division, separate groups provided for national banks, state banks, and savings banks. Offices for the central organization and for the several divisions were maintained in New York City.

The Trust Company Division was established in 1896. In 1916, it appointed a Committee on Publicity consisting of five representatives of member trust companies in addition to the secretary of the division. In 1925, the membership on the committee was increased by one. Up to 1926, its work fell into two periods: the period between its appointment in 1916 and the beginning of advertising activity in 1920; and the period of the national publicity campaign between 1920 and 1926.

The earlier period was devoted to research on financial advertising as related to the trust business and to the assistance of member companies, at their request, in planning and preparing their local advertising. There gradually grew up during this period the conviction that any appreciable realization of the potentialities of trust company business was dependent upon public education and upon more concerted selling effort by trust companies. The conviction crystallized in 1919 in the resolution quoted above looking toward the inauguration of a campaign of advertising, subsequently termed the national publicity campaign.

Subscriptions to the national publicity campaign were solicited on a basis of $\frac{1}{100}$ of 1% of the combined capital, surplus, and undivided profits of the subscribing members, with a minimum amount of \$25. The subscription blank incorporated an agreement by the member company to pay the sum thus calculated within ten days after receipt of a request from the secretary of the Committee on Publicity or his accredited representative. The subscription basis was changed in 1924 to the following arbitrary schedule of payments, which were still determined, however, by the capital, surplus, and undivided profits of the subscriber:

EXHIBIT 2
 MEDIUMS, NUMBER OF INSERTIONS, AND SIZE OF SPACE USED IN NATIONAL PUBLICITY CAMPAIGN OF TRUST
 COMPANY DIVISION, AMERICAN BANKERS ASSOCIATION

Mediums	1921		1922		1923		1924		1925		1926*	
	Num- ber of Inser- tions	Size of Space	Num- ber of Inser- tions	Size of Space	Num- ber of Inser- tions	Size of Space	Num- ber of Inser- tions	Size of Space	Num- ber of Inser- tions	Size of Space	Num- ber of Inser- tions	Size of Space
Review of Reviews.....	12	page†	12	page§	4	page	3	page	8	page†	2	page
World's Work.....	12	"	12	"	4	"	3	"	8	"	2	"
Atlantic Monthly.....	12	"										
Century.....	12	"										
Harper's.....	11	"										
Scribner's.....	12	"										
Cosmopolitan.....	6	2 columns	3	1 column	4	2 columns	3	2 columns	4	2 columns	2	2 columns
System.....	6	"	4	"	4	"	5	"	5	"	1	"
Outlook.....	6	"	9	"	7	"	3	"				
American.....	5	"	5	"	4	"	4	"				
Literary Digest.....		"	8	"	4	"	4	"	4	2 columns	2	2 columns
Nation's Business.....		"	3	page	4	"	3	"	3	"	1	"
Success.....		"		"		"		"		"		"

* First two months only.

† Three insertions were rate holders.

‡ Four insertions were rate holders.

§ One insertion was rate holder.

|| One insertion was page.

• One insertion was one column.

At the end of 1921, a check on the inquiries received at the central office of the Trust Company Division in response to the magazine advertising revealed that two of the magazines in the Quality Group were much superior to the other four in attracting replies. Consequently, in the years following 1921 only the *Review of Reviews* and *World's Work* among that group of publications were retained. An analysis of these inquiries, from January, 1921, to July, 1924, is shown in Exhibit 3.

EXHIBIT 3

REQUESTS RECEIVED AT HOME OFFICE OF TRUST COMPANY DIVISION,
AMERICAN BANKERS ASSOCIATION, FOR THE BOOKLET
"SAFEGUARDING YOUR FAMILY'S FUTURE"

	(2 years) Jan. 1, 1921 to Dec. 31, 1922	(1 year) Jan. 1, 1923 to Dec. 31, 1923	(7 months) Jan. 1, 1924 to July 31, 1924
Total number of requests.....	10,356	2,768	765
Requests on letterhead.....	2,227	504	161
Requests from women.....	1,396	191	85
No mention of magazine.....	6,444	1,739	480
Atlantic Monthly.....	80	*	*
Century.....	25	*	*
Harper's.....	28	*	*
Review of Reviews.....	440	159	73
Scribner's.....	27	*	*
World's Work.....	312	65	18
American.....	1,239	334	54
Cosmopolitan.....	373	*	*
System.....	410	58	13
Outlook.....	145	58	20
Literary Digest.....	835	316	83
Nation's Business.....	5	39	24

* Not used.

System held a consistent place on the schedule throughout the campaign, as did *Nation's Business* beginning in 1922. As magazines of general interest to business men, the two were directed toward a class which was believed to provide a fertile market for trust service. Monthly and weekly magazines of large circulation and broad appeal were represented by *Cosmopolitan*, *American*, *Outlook*, and *Literary Digest*. *Cosmopolitan* was dropped from the list in 1923; *Literary Digest* and *American* were dropped in 1925. The only additional publication to find

a place on the schedule was *Success*, in which insertions were run in four issues during the latter part of 1925.

During 1921 and 1922, the amount of space used from July through September was considerably less than that of the other months. Small-space insertions were used as rate holders in the Quality Group magazines in 1921, 1922, and 1925 in order to secure the reduced rate allowed on a specified number of advertisements when run consecutively. In 1923, magazine advertising was entirely eliminated in July and August and in 1924, June also was omitted from the schedule. The annual program was gradually reduced over the four-year period on account of declining subscriptions.

In general, the aim of the copy was to educate the public concerning the services which trust companies could be called upon to perform and to arouse the individual to the necessary steps in making use of these services. In the words of the Committee on Publicity, "There is an altruistic purpose in fiduciary advertising that we sometimes overlook. When we urge individuals to make wills and create trusts, we are not merely attempting to secure new business for our institutions—we are helping to conserve the results of years of effort and to insure the well-being of the dependent and helpless!" Most of the advertisements presented dramatic appeals, made forceful by real or assumed stories of the misfortunes traceable to the absence of a will or of provision for the proper administration of an estate.³

For example, the following piece of copy which appeared in 1921 emphasized the value of a properly drawn and up-to-date will:

Mr. Warren's Omission

Mr. Warren was an average, active, young American business man. Just after his marriage, some 10 years ago, he made a will. As time passed children were born. Mr. Warren had acquired property and the future looked bright.

As a careful business man, Warren had a new will drawn, to fit the new circumstances, but he "put off" executing it, because—well, it is noteworthy that healthy men procrastinate about their wills.

³ In the copy, any offense to the legal profession, which also dealt with executorship and trusteeship of estates, was scrupulously avoided. Further than that, it was attempted to impress on that group the advantages of the trust company arrangement and thereby to secure its cooperation in directing clients to such institutions.

On a business trip, he was killed in an accident. The two wills were brought out and read. The first was found to make no provision for the children. The second named a strong trust company as executor and trustee. It made provision for trust funds designed to protect his wife and children in the enjoyment of their inheritance.

Yet this second will, which expressed Warren's real wishes, *was ineffective*, as it was not completed by proper signature.

Perhaps *your* will as it reads today would not do substantial justice to your family. If time has imposed new obligations; if there have been changes in your business affairs; if your executor has died or become incapacitated; if for any reason your will is not now up to date, there is real danger in postponing its revision.

Today, ask a trust company or write to the address below for the booklet, *Safeguarding Your Family's Future*, which will give you interesting and helpful information on the vital subject of wills.

An advertisement of still more dramatic quality from the 1924 series pictured a young man in protest to his wife over a mistake in financial judgment, but restrained by his father's hand on his shoulder. The circumstances and conversation formed the copy:

"Protect her from doorbell swindlers"

"Oh, Marion, how did you ever happen to do that!"

A glib promoter in the neighborhood had persuaded women to buy taxicabs, each paying a few hundred dollars for one. It was hard for Marion to keep cool when other women showed their "dividend" checks. So she bought a taxicab too. The dividends, of course, were paid out of her own money. The stock salesman soon disappeared. She frankly told her husband about it when he came home.

"Don't scold her," said Fred's father. "She'll learn something from this experience—and you, too. Suppose you went away and never came back. What might happen to the money you left for your family's support? More than once I've urged you to make a will and appoint a competent trust company as executor and trustee, yet you haven't done it. Protect her from these doorbell swindlers."

Nine families in ten are as dependent upon the business judgment of the breadwinner as upon his earning ability. Should anything happen to him, it would be more necessary than ever. The wife and mother, who makes the home, has a right to feel certain that the family income will be safeguarded if the breadwinner is taken away.

The trust company has the business judgment and experience of many persons instead of one. Its life is continuous as the

individual's is not. It is under state supervision, held strictly accountable for all funds and acts, and has ample resources to make good this accountability.

There are over 2,000 trust companies in the United States. Write to the nearest trust company and its trust officer will gladly advise you on these matters.

Ask a trust company for a copy of *Safeguarding Your Family's Future*, a 24-page booklet that will be helpful to you in planning protection for your family. Or, if more convenient, send your inquiry to the address below.

Other examples of advertisements used are reproduced in Exhibits 4, 5, and 6.

With few exceptions, the advertisements were illustrated by pen sketches representing scenes of human interest which visualized the copy appeals. They pictured men surveying their families with pride and resolving to act for their financial protection; widows and their children kept happy under the provisions of trust agreements; the troubles in store for the individual who served as executor under a will; conferences between trust officers and their clients; and similar situations. The illustrations were designed both to command attention and to supplement the effectiveness of the copy.

The booklet entitled *Safeguarding Your Family's Future*, designed to be mailed in response to requests from the public, was first presented in the advertisement for April, 1921. It was made the basic direct-mail piece of the campaign, incorporating in readable form explanations of executorship and trusteeship under wills; the "living trust"; and the life insurance trust. Several paragraphs at the conclusion, headed "The Duty of Today," impressed upon the reader the necessity for promptness in carrying out the financial arrangements which had been discussed in the preceding pages. Besides being mailed in answer to inquiries, these booklets also were sold in quantities to subscribing trust companies for local distribution. In the latter booklets the pressure on the reader was supplemented on the final page by the following statement:

The Officers of our Trust Department will be glad to give you further information on any of the subjects covered in this booklet and to suggest steps to be taken to meet your own particular problems.

We invite you to call upon us.



The Business Side of Happy New Year

ALL over this country there are families whose happiness this and every New Year's Day is the result of the foresight of men who, while still living, made wise provision for the future.

One of these men, who is typical of the others, at the beginning of a New Year now long past, looked into the faces of his loved ones and thought: "They are happy now, but how can I insure their happiness in the years to come?"

He made a will. For his wife, inexperienced in business matters, he planned a trust fund, to protect her against the tragedy of ill-advised investments. A fund was set aside for his children's education. The boys were to be given their whole share of the estate at a mature age; the daughters' shares were to be kept in trust during their lives, so that, married or single, they would be financially independent.

Then came the question: "Who is to carry out these plans?" He decided that it was unfair to his wife to ask her to manage property which it had taken his utmost labor and trained effort to accumulate. He named a trust company, therefore, as executor and trustee, because it had attributes which only a corporation could have—continuous existence, accumulated experience, financial responsibility, perfected mechanism, the counsel and direction of many men skilled in business.

And today, long after his death, the trust company is serving this man's family from one Happy New Year to the next, its officers acting with understanding of each individual's needs, yet observing a strict impartiality.

As this man made provision, so any man can provide, in proportion to his desires and means, for his family's future.

This is the first of a series of messages to be published by associated trust companies of the United States concerning the services they render. A new book, *Safeguarding Your Family's Future*, explaining these services, may be obtained upon application to a trust company, or upon request to

TRUST COMPANY DIVISION,
AMERICAN BANKERS ASSOCIATION
FIVE NASSAU STREET, NEW YORK

Exhibit 4: Magazine advertisement used by Trust Company Division of American Bankers Association.



Making Money and Making Family Provision

THIS is addressed to the man who gives so much of his time to making money that he often forgets what he is making it for. The accumulating of money may not be providing for the future of a family.

A man has not made proper provision for his family until he looks beyond his own life and takes measures for the protection of those he may leave behind. Otherwise, his property may be distributed to such persons and in such proportions as would have been entirely contrary to his wishes, and under such difficulties as may cause loss to the estate.

Who will receive the property which you leave? Are you willing to let that be determined by the law of the State, and permit the expense and sacrifice often caused by the inflexibility of the law?

Suppose your wife is inexperienced in business affairs—would you be willing to leave to her or burden her with the investment of funds upon which your family's whole future might depend?

These are problems which face every man who considers his responsibilities and duties.

By making a will, you can designate who shall receive your property. In your will, you can create a trust for your dependents, insuring that the property you leave will be preserved and safeguarded for their benefit. And you can select an executor and trustee to carry out your plans.


The naming in your will of an executor and trustee is second in importance only to the making of the will itself. The modern trust company is an organization with special fitness for this duty. It has continuous existence. It has specialized experience. It has the counsel and direction of men skilled in business affairs. It has financial responsibility. It is controlled and safeguarded by strict statutes.

The written expression of your intentions—that is your will. The competent and specially-equipped mechanism for the carrying out of your intentions—that is a Trust Company.

This is the second of a series of messages to be published by associated trust companies of the United States concerning the services they render. A new book, *Safeguarding Your Family's Future*, explaining these services, may be obtained upon application to a trust company, or upon request to

TRUST COMPANY DIVISION
AMERICAN BANKERS ASSOCIATION
FIVE NASSAU STREET, NEW YORK

Exhibit 5: Magazine advertisement used by Trust Company Division of American Bankers Association.



Safeguarding Your Family by Your Will

Men should make provision for the welfare of their dependents for the future. And it is not a problem of getting it out of disposing. For the average man the better is the harder, often times because it is a thing he dislikes to go into, or he does not think he has time to do that duty which he owes his family. He must think and learn a little more about executors and good trustees. For in these things the future of his loved ones may be bound up.

What is a Will?

Property is never without an owner. As has already been pointed out, if a man fails to make valid disposition of property he will leave his family in a state of uncertainty.

Safeguarding Your Family's Future

and witnessed by others, stating what disposition of his property shall be made after his death. (In some states witnesses are not required.)

A man making a will should remember the uncertainties of life, that the will may be made effect shortly, and that it may, therefore, be his last opportunity to express his wishes in regard to his property. Viewed in this light, the will is a very important instrument and should be drawn by competent legal authority.

A mere written declaration of one's wishes may not be a will. So called "home made" wills are dangerous, and too often result in many varieties of litigation and law must be considered and the nature of execution and declaration given careful attention.

Can a Will be Changed?

What is a Will?

Can a Will be Changed?

Who Will Carry Out Your Wishes?

WITH the best of intentions for the welfare of their families, many men neglect to consider the future. They forget that women and children, left without the protection of husband and father, are often obliged to endure unnecessary hardships.

There is one best way to provide for the time when you may not be here. That is to make a will.

What is a will? Can it be changed at any time to meet new circumstances? What is an executor and trustee? Can the money and property you leave be surrounded by such safeguards as will protect it against the business inexperience of those who may receive it? Is there a way to direct the distribution of property, and the income derived from it, over a period of years?

The head of a family owes it to those who look to him for protection, to be informed on these questions. They are discussed in a booklet entitled "Safeguarding Your Family's Future," published by the Trust Company Division of the American Bankers Association.

Trust companies throughout the country have supplies of this booklet for free distribution. Ask one of these companies or write to the address below for a copy.

TRUST COMPANY DIVISION
AMERICAN BANKERS ASSOCIATION
FIVE NASSAU STREET, NEW YORK

Exhibit 6: Magazine advertisement used by Trust Company Division of American Bankers Association.

It was hoped that the local institutions might thereby benefit in a material manner from the interest created by the advertising and the booklet.

During the whole period of publication advertising after April, 1921, the booklet was offered to readers and keyed copy was used. The analysis of keyed returns formed a basis on which the effectiveness of the several mediums was judged. Magazine advertisements as well as the booklets, directed readers to local trust companies for consultation. Inquiries received by the central office, furthermore, were referred to subscribers in the inquirers' localities for the exercise of individual effort. Over 22,000 individuals requested information on trust service during the campaign.⁴

The national advertising supervised by the Committee on Publicity was supplemented during the period by an increased volume of local trust company advertising in newspapers. To assist the local institutions in preparing layouts and copy which compelled attention and secured results, the committee published a monthly bulletin called the Publicity Bulletin. Each issue presented five or six suggested advertisements for insertion in newspapers over the names of subscribers. Electrotypes of the advertisements in national magazines, of illustrations which had appeared in the various pieces of literature published by the committee, and of the seal of the Trust Company Division were offered to subscribers at cost. The committee also made suggestions for effective methods of handling consumer inquiries and offered reproductions of magazine advertisements for display in banking offices.

Other means also were supplied to the subscribing trust companies for augmenting their local activity in securing new business. Numerous helps were prepared and furnished to subscribers at cost. New ones were added year by year until in 1924, 13 distinct items were distributed at cost. Several of the items also were distributed by the central organization out of campaign funds.

The supplementary local material was of four types. Booklets, three of which were printed during the five years, presented detailed information on pertinent subjects such as "Who Will

⁴ The number of inquiries was 22,478. Of these, 7,000 were received from employees of the Western Electric Company, which had given the Trust Company Division special cooperation.

Get Your Estate?" These were more expensive than the other classes of material but were also more valuable on account of their comprehensiveness. The booklet entitled *Safeguarding Your Family's Future*, because it was adopted for response to consumer inquiries, was distributed in large measure by the central office out of campaign funds.

Leaflets were first prepared in 1922; with the new ones subsequently added, 11 titles in all were made available. Illustration and copy for the leaflets were similar to and in some instances almost identical with those from magazine advertisements. Some of the subjects were: "Your Wife and Your Estate"; "Your Winter Trip and Your Affairs at Home"; and "It Wasn't Easy to Talk with Dan about His Will." These pieces were designed for envelope enclosure and for distribution in bank offices. Three of them were featured in the magazine advertisement which appeared in January, 1926, but no other publication space was devoted to them. It was expected that subscribers would design window displays incorporating these leaflets and the booklets as an appeal for inquiry.

Four posters were designed for display in bank windows. In three of them were reproduced copy and appeals which also had appeared in leaflet form. Only one design of easel was made up during the campaign and sold in a very limited number in 1923. The extent of the distribution of local selling helps through 1924 is shown in the tabulation presented as Exhibit 7.

EXHIBIT 7

SALE OF LOCAL PROMOTIONAL MATERIAL AND FREE DISTRIBUTION OF
BOOKLETS AND LEAFLETS BY TRUST COMPANY DIVISION,
AMERICAN BANKERS ASSOCIATION, 1921-1924

	SALES				TOTAL SALES	TOTAL FREE DISTRIBUTION
	1921	1922	1923	1924	1921-1924	1921-1924
Booklets.....	41,200	107,250	119,650	27,150	295,250	224,250
Leaflets.....		153,300	163,450	137,050	453,800	189,400
Posters.....		85	129	23	237	
Easels.....			14		14	
Electrotypes.....	134	386	190	142	852	
Mats.....				5	5	

An interesting outgrowth of the national cooperative activity appeared in the local joint campaigns conducted by the trust companies in several cities, among them Washington, Houston, New Orleans, and Los Angeles. Committees supervised the insertion of cooperative advertisements in newspapers, and the general objective was the same as that of the Trust Company Division's national advertising. The names of subscribing companies appeared in the advertisements, however, and the support given these local undertakings was practically unanimous.

As the campaign advanced, the securing of contributions became progressively more difficult, as is indicated by Exhibit 1. Many of the trust companies were not convinced that immediate results from the combined national advertising and local promotion were sufficient to justify the expenditure involved. They were unwilling, furthermore, to continue annual payments toward the achievement of a future objective which appeared to them remote if not unattainable.

The opinion held by dissatisfied subscribers was not shared by the executives of the campaign. In their judgment, the objective of the advertising had been educational and immediate returns could not necessarily be anticipated. However, the inquiries which had been received and referred to subscribers appeared to them significant of immediate results. The falling off in number of inquiries as the campaign progressed was believed to be inevitable, at least in part, because of the reduced number of appearances of the national advertisements. A considerable number of subscribing banks had stated that an appreciable amount of their new business was traceable directly to the national and local advertising. Moreover, the campaign committee and a number of the individual trust companies were persuaded that they would secure future business because of the cumulative educational effect built up by the advertising.

At the end of the first year of the campaign, a report was made to subscribers and an effort made to secure their contributions for the work in 1922. In this report, under the heading "Results of the Campaign," appeared the following analysis by the committee:

Although the national advertisements urged the reader to apply to his local institution for a copy of the booklet *Safeguarding Your Family's Future*, during the five months to June 1st, 1,363 requests were received at the New York office from readers of these

magazines. Almost every class and profession was represented, including some lawyers and ministers, who stated that they were seeking help in making wills for their clients and parishioners. Nearly all were bona fide requests. A copy of the booklet was sent to each of these inquirers and the subscribers in the same city, or near-by, were notified simultaneously that a request for the booklet had been received and filled from the New York office.

Not only has the campaign brought these immediate returns, but there is ample evidence of a large response direct to the member companies, and a number of companies already report actual business closed as a result of the campaign. This partial record of tangible results is an indication of a field of which these returns represent only the surface scratching. In addition, a highly important intangible result has been a quickening of interest in the possibilities and the stimulation of the members' organizations to greater activity in developing business.

Despite similar favorable appraisals subsequently made by the committee and by a number of cooperating trust companies, the response to the annual requests for subscriptions fell off from year to year. By 1926, the program of magazine advertising had been severely curtailed, as is shown by Exhibit 2. Expenditure for magazine space had decreased as follows:

1921	1922	1923	1924	1925*
\$51,267.67	\$32,352.84	\$30,625.00	\$27,741.90	\$16,057.16

* Including January and February, 1926.

The campaign had reached a point at which the volume of magazine advertising was so small as to make its effectiveness, either immediate or cumulative, questionable. The expenditure for local promotional material had not suffered so great a proportional decline, but was nevertheless at its lowest point in 1925, as is roughly indicated by the combined accounts for art work, printing, electrotypes, and copy service:

1921	1922	1923	1924	1925*
\$13,106.91	\$16,125.26	\$14,708.18	\$13,260.98†	\$9,243.63

* Including January and February, 1926.

† Includes postage.

These figures were subject to deduction for amounts paid to the committee by subscribers for printed material which they had ordered, as follows:

1921	1922	1923	1924	1925*
\$2,169.58	\$7,413.53	\$7,698.73	\$6,014.22	\$2,601.37

* Including January and February, 1926.

On the whole, enthusiasm had been waning, and the Committee on Publicity was faced at the end of 1925 with a decision as to whether advertising activity of any sort should be continued and, if so, of what type.

The committee decided to discontinue magazine advertising after the insertions which already had been contracted for in the early part of 1926. The indeterminate nature of the returns from national advertising appeared to have been one of the chief deterrents to the successful conduct of the national publicity campaign. Cooperative advertising activity, however, was not completely abandoned. The arrangement provided by the committee for its continuation was called the "Building Trust Service" plan, under which members of the Trust Company Division were furnished with the same type of local assistance that had been offered during the previous five years, in return for an annual payment of \$50, irrespective of size. This form of service seemed to have met with favor among member companies, and the maintenance of some form of concerted advertising attack by the trust companies was judged to be too important in affecting future growth of the business to be given up entirely.

The Building Trust Service plan was still in operation in 1929. For the first year, 1926-27, 364 companies had subscribed; in 1928, 295 companies subscribed; and in March, 1929, 441 companies were subscribing. Mailing pieces consisting of booklets and leaflets had been added to the ones already prepared until in all 29 had been made available. The name of the trust company or bank was imprinted on all pieces and they were sold in quantity lots to subscribers only. At the end of 1927, it was reported that since 1921 over 2,000,000 booklets and leaflets had been distributed by subscribers throughout the United States. The monthly bulletin containing local advertising suggestions also was continued for subscribers to the Building Trust Service plan.

As a summary of its activity since 1921, the Committee on Publicity published in 1927 a book of 450 pages under the name *Fiduciary Advertising*. In this compilation was reproduced the material prepared by the committee from December, 1920, to September, 1927, including magazine advertisements which had appeared from 1921 to 1926; the layouts and copy for newspaper advertisements which had been presented monthly in the Publicity Bulletin; the text of booklets, leaflets, circular letters, and blotters

as prepared by the committee; articles on business extension published in the Publicity Bulletin; and an extensive discussion and explanation of fiduciary problems, called "100 Questions and Answers about Wills, Estates, Trusts, and Corporate Fiduciaries." The committee believed that the permanent value of the material justified its publication in book form for easy reference.

In 1927, the Trust Company Division undertook to ascertain at first hand the progress of trust business. Trust institutions were sent questionnaires in which they were asked to state the number of times they had been named as executors or trustees under wills during the years 1923 to 1927. The results of the investigation were reported in the March, 1928, number of the Publicity Bulletin. The report is quoted in part below:

The sweeping strides that the trust movement is making through the United States are revealed by the details of a questionnaire that was sent out by the Committee on Publicity to trust companies and banks doing a trust business, asking them to report how many times during each of the past five years they had been named as executor or trustee under wills. This included wills that had already been probated and wills in which these institutions knew that they had been named. Returns from 750 institutions with active trust departments, located in all sections of the country, produced the following grand totals:

1923	1924	1925	1926	1927
5,899	7,878	12,926	19,128	27,983

As was expected, it was found that trust companies which had been established for a number of years and advertised their services succeeded in getting the largest number of estates for settlement. While there is no way of telling which trust companies and banks were among those reporting their results, one institution revealed that it had been named 3,000 times during 1927. There was one other corporate fiduciary in the 1,000, or better, class.

There were 27 institutions which were named 200 times or more during 1927.

There were 44 institutions which were named between 100 and 200 times during 1927.

There were 60 institutions which were named between 50 and 100 times during the past year.

Thus, it may be observed that only about one-sixth of the trust companies and banks which replied to this inquiry succeeded in being named annually as executor or trustee under 50 or more wills. However, there is this to be taken into account in considering these figures: In a great many instances, trust companies and banks have been named in wills that have been drawn, although this fact is not known to them, because the wills are not intrusted to them for safe-keeping.

Another noteworthy feature of this national survey is the number of cases in which trust companies and banks in the smaller cities report that they have been appointed to act as executor or trustee under wills involving million dollar estates.

While a considerable number of the institutions stated that they did not have the information classified in this exact form, a compilation of the returns where the million dollar estates were specifically mentioned reveals that this group of trust companies and banks has been named during the past five years in a total of 668 estates valued at \$1,000,000 or more.

The trend is impressive. In 1923, the total of million dollar estates was 48; in 1924, 69; in 1925, 101; in 1926, 151; and in 1927, a total of 298. In other words, the number of times that trust companies and banks were named as executor or trustee in estates of \$1,000,000 or more during the past year was six times as great as in 1923.

The survey brought out the fact that a very considerable number of banks were just starting to do a personal trust business by the opening of trust departments. The passage of the McFadden Act, which modernized the national banking laws and empowered national banks to accept trusts running for an indefinite number of years, encouraged hundreds of national banks to enter this field. The growing popularity of these services also persuaded state banks to join in the movement. The returns reveal that more than a third of the institutions answering the questionnaire secured their first appointments under wills after 1923. There is no record of 68 of these institutions having been named as executor or trustee until 1924. The next year 91 entered the personal trust field while 143 reported their first designations in 1926 and 148 last year.

It would appear that some of the banks are having notable success in obtaining new business. In one southern city having a population of less than 100,000, one bank reported that although its trust department had been active for only six months, it had 100 wills. In one of the western states, a trust officer reports that he succeeded in having his institution named in 210 wills. In a sizable city in the Southwest, one company reported that it had been designated as executor or trustee in 47 wills during 1927, 9 of which were for estates of \$1,000,000 or more. The previous year, there were 22 designations of which seven were for million dollar estates. These were exceptional cases, however, as it was observed that not very many of the banks and trust companies succeeded in being named in more than 25 or more wills each year.

It was also stated that the reports of member institutions revealed an additional development of importance to the general progress of estate administration by trust companies. A list was presented of men prominent in public life whose large estates had

attracted the attention of the public through newspaper accounts and who had named corporate fiduciaries to carry out the terms of their wills. The fact that well-known and wealthy men made use of trust service was expected to influence those of smaller estates to do likewise.

Another national survey with similar objective was conducted in 1927 by the Committee on Insurance Trusts of the Trust Company Division. The report of this investigation is partially quoted below:

Questionnaire Is Sent Out

In the effort to ascertain the amount of insurance that was deposited under trust agreements, a questionnaire was sent to more than 3,000 institutions, embracing all trust companies and banks with active trust departments. Each was requested to state the number of insurance trust agreements and the total amount of insurance deposited under these for the years 1927, 1926, 1925, 1924, and 1923.

While it is known that not all of the trust companies and banks which have been named as trustee under insurance trust agreements supplied the information sought, the response was quite general and the spirit of cooperation shown was splendid. In some cases, the institutions reported that their records would not enable them to state exactly how much insurance was trusted but invariably it was asserted that the business was showing a steady, year-by-year growth. Returns to the questionnaire were made by more than 1,500 banks and trust companies but only about 400 reported at that time having obtained trust business in this form.

Casting up the totals for the five-year period, it was found that the amount of insurance trusted during 1927 shows an 856% gain over the total for 1923! The total for the past year was twice as large as that for 1926—and more than the combined total for the preceding four years. The rate of gain has been startling and it would appear that the life-insurance trust is the fastest growing form of fiduciary service. The outstanding reason for this growth is the desire of men to leave behind them an assured income and continued protection to their families rather than a lump sum of money, which in many cases would be turned over to individuals unskilled in investment and otherwise subjected to the risk of dissipation. More and more the people of this country are thinking of their life insurance in the terms of the income that it will produce. And likewise the thoughtful man wants to leave his wealth surrounded by such provisions as to make it prove a blessing rather than a curse to his heirs. Under the life insurance trust the trustee may be given the power to exercise discretion and to act in very much the same manner as the creator of the trust would if he were still living. As the trust can be made to fit the individual requirements of any case, it has a wide variety of adaptations.

The figures for this five-year period are as follows:

	Number of Trusts	Amount
1927	5,296	\$276,785,000
1926	2,726	138,005,667
1925	1,329	64,795,650
1924	675	32,907,801
1923	481	28,842,954

Expressed in round figures, the amount of insurance deposited under trust agreements in 1927 was twice as much as in 1926, four times as great as in 1925, eight times as much as in 1924 and nine times as large as in 1923!

The total amount for this five-year period is \$541,337,958. As has been stated, this does not include the insurance trusts that have been drawn by a number of trust companies and banks, a few of which are known to have a considerable amount of this type of business. There is every indication that the volume of insurance trust business written during the first nine months of 1928 will surpass all records for any other corresponding period. After considering all the data, it may be estimated that more than three-quarters of a billion dollars in life insurance is now covered by trust agreements.

As a general commentary on the activity of the Committee on Publicity during the period covered by the National Publicity Campaign and during the first two years of the Building Trust Service plan, may be quoted the following statement by the committee's chairman which appeared in the Publicity Bulletin for March, 1928:

Personally, I must confess a great deal of satisfaction over the impressive increases that have been shown during each of the past five years in the growth of this important trust service. The trust company has existed as an institution qualified for more than 100 years to serve in these capacities. It may be recalled, however, that only slightly more than seven years ago, this Division undertook through its national publicity work to acquaint the American people with the superior way in which the trust companies could serve them. With the funds subscribed by a number of institutions, it engaged in an advertising campaign in a number of the leading national magazines. A local advertising service was made available at a nominal cost to the smaller trust companies and banks to tie in with the general advertising. The national campaign was discontinued because a number of the trust companies—at that time—could not see in the immediate direct results enough of a response to justify their further participation. While those of

us who had long experience in advertising have sought to emphasize that it is rarely possible to trace the sale of a service directly to a campaign, we never had any doubt that the cumulative effect of the effort would prove to be most valuable in breaking down the barriers to the extension of trust service.

In my opinion, it is significant that these striking increases in the growth of personal trust services have followed in the wake of our common publicity effort, although I am not unmindful of the fact that the trust companies and banks have constantly enlarged their individual appropriations for informing the American people of the many ways in which they can serve them. Again, it is noteworthy that the institutions which have been most consistent in carrying their message to the public have shown the greatest growth.

The American people take to a good idea with surprising alacrity. It is within our means to speed up that impressive movement.

COMMENTARY: This case is illustrative of the difficulties often met by associations in maintaining support for an advertising campaign of a purely educational character. At other places in this volume, I have commented upon the difficulty of appraising the results from purely educational advertising; *i.e.*, advertising designed to arouse a primary demand for a commodity or service. As in this case, where results are indeterminable or remote, continuous financial support for advertising is likely not to be forthcoming.

The original appraisal by the Committee on Publicity of the possibilities for an increased use of trust company service was undoubtedly sound. The figures given of the growth of such services subsequent to 1920 show that there was a need for such services which actually was converted into active demand. To bring appreciation of trust services among possible users called for educational work. Although it seemed logical to carry on such education as a cooperative effort, I doubt that it was advisable to resort to a common campaign in magazines.

In the advertising the solicitation of inquiries for the booklet was a sound procedure; the use of coupons, however, to make it easier for readers to send for the booklet would undoubtedly have reduced inquiry costs. Although inquiries were referred to local trust companies, there is no evidence in the case that an effective follow-up of the interested prospects was made. As a matter of fact, any local trust company would have had to be very tactful in following up inquiries which had been made to the national headquarters. Herein we find one of the weaknesses often found in such cooperative efforts; that is, a failure to evolve a really well-coordinated plan of strategy leading through to actual sales results.

The decision of the Committee on Publicity to eliminate magazine advertising in 1925 and to devote its efforts toward providing advertising assistance to local banks was sound. It is my belief that it would have been well from the start to direct all educational advertising through individual banks. In the advertising of trust departments, individual banks may use copy the appeal of which is chiefly selective, *i.e.*, competitive in character, or copy of an educational type aiming to lead people to utilize trust company services.

The soundest policy ordinarily would be to use the latter. Professor George B. Hotchkiss stated the matter well in an address before the Trust Company Division of the American Bankers Association in New York in January, 1928:

I think there is no question that the higher form of advertising is the educational, that which sells the public on the service of trust companies or banks in general. And you have only to look at the graphs showing the growth of trust companies to see how much has been done to widen the public use of trust company service. What has been done is simply an indication of future possibilities. There is room for further growth, unquestionably.

The question might arise, why can't trust companies all together do that job by cooperation? I suppose they can, but there is a good reason why the individual should do it. He need not fear that he will fail to reap most of the benefit from it. Usually it will help to indicate his individual ability. It has become a settled conviction in my mind that the best way to indicate capacity for giving service is by giving it. If trust company advertising gives real service of information about wills, estates, or other matters, it is a guarantee that the institution publishing it is a service institution to which the public can turn safely, knowing that the company which gives service without being paid for it will certainly do so when paid for it. So it seems to me that no trust companies should need to think it unsound to give general educational advertising. It will help all trust companies, but the individual giving it will reap most of the benefit.

In this case, then, we have a situation in which the educational job, instead of being left to advertising under the signature of the association, might well have been reserved for the individual banks. Each bank would have had the feeling of a more direct relationship to the educational work being done. Persons interested by the advertising would have had a specific suggestion of a bank at which to make further inquiry. A direct follow-up of any show of interest could have been provided.

The preparation of advertising material, however, might well have been assumed by a central organization. Although competing banks

probably would not have desired to make use of common material, and although large banks might have preferred to do their own individual jobs, yet many smaller trust companies would undoubtedly have benefited from the preparation of newspaper advertisements, leaflets, and booklets by technicians more expert than the individual banks could command. Accordingly, it is my belief that the type of effort adopted by the Committee on Publicity subsequent to 1925 was preferable to the carrying on of a joint advertising campaign in magazines.

December, 1930

N. H. B.

ENGRAVED STATIONERY MANUFACTURERS ASSOCIATION

TRADE ASSOCIATION—ENGRAVERS

COOPERATIVE ADVERTISING—*Failure of Local Campaigns, through Lack of Cooperation.* To offset the competition of imitation engraving and to instill in engravers a more aggressive selling attitude, an association of engravers in 1921 and in 1922 employed an advertising counselor to conduct a campaign of local advertising and promotion, under which advertising material was supplied to members at slightly over cost. Neither campaign received adequate support from the association members, who criticized unfavorably the design and reproduction of the advertising material, and whose divergent interests made those members selling directly to customers unwilling to support advertising which would further the sales of those selling through retail representatives.

COOPERATIVE ADVERTISING—*Adopted after Failure of Two Previous Campaigns.* Dissatisfied with the rate of progress in the industry and disturbed particularly by the competition of imitation engraving, an association of engravers, in spite of the fact that two previous attempts at local advertising had been unsatisfactory, decided to raise funds for a four-year campaign of national advertising and local promotion under the supervision of an advertising agency. Advertising in national magazines, appealing to consumers of both business and social engraving and emphasizing the benefits of genuine engraving as opposed to imitation, was used as a basis for the campaign, supplemented by trade paper advertising and local advertising assistance for subscribers.

COOPERATIVE ADVERTISING—*Support of Cooperative Effort over Period of Years*—(Commentary). An association of engraved stationery manufacturers which obtained contributions from its members for a four-year campaign of national advertising and local promotion was, the commentator observes, following a plan open to question from the standpoint of trade association management. Since primary advertising of the kind carried on by this association is not likely to be productive of immediate results, there is danger, when leading individual firms to make long-term commitments, of rousing expectations of too great results. The ensuing dissatisfaction with immediate results may undermine the solidarity necessary for effective association work, so that, if long-term commitments are sought, care should be taken not to lead contributors to expect too much from the cooperative effort.

(1921-1929)

For several years prior to 1926, steel and copperplate engravers in the United States had not been satisfied with the rate of progress

in their industry. They were disturbed particularly over the competition presented by various types of imitation engraving. Since two plans for local promotion of sales had failed to produce adequate results, the Engraved Stationery Manufacturers Association, national organization of the industry, considered in December, 1926, the advisability of a program of national magazine advertising.

The Association had been formed in January, 1911, with 19 members, under the title of National Association of Steel & Copperplate Engravers. In 1921, the title was changed to Engravographia on advice of advertising counsel. The name proved impractical; its pronunciation was difficult and its implication obscure. Again on advice of advertising counsel, the name was changed in 1927 to Engraved Stationery Manufacturers Association, in order to indicate without question the type of business activity represented. Membership in the organization, restricted to producers of genuine engraving, rose gradually to 135 in 1924 and 161 in 1927, but increased sharply to 276 in 1928.

In general, the engraving industry was not marked by large-scale production. Although machines had been devised to

EXHIBIT I

NUMBER OF ESTABLISHMENTS AND WAGE EARNERS AND VALUE OF PRODUCTS,* STEEL AND COPPERPLATE ENGRAVING AND PLATE PRINTING, 1914-1925

	Number of Establishments	Wage Earners (Average Number)	Value of Products†	Wage Earners‡ per Establishment (Average)	Value of Products‡ (Average)
1925	368	7259	\$32,106,150	20	\$87,200
1923	377	7529	32,551,209	20	86,300
1921	367	7156	28,778,665	19	78,400
1919	421	7014	24,209,154	17	57,500
1914	399	6859	13,786,385	17	34,500

Source: *Biennial Census of Manufactures*, 1925, Bureau of the Census, Department of Commerce, 1928, p. 685.

* Figures for 1921, 1923, and 1925 relate only to establishments with yearly products valued at \$5,000 or more.

† Includes values of miscellaneous products normally belonging to other industries, made as secondary products by establishments engaged primarily in engraving, steel and copperplate, and plate printing: 1925, \$444,621. Corresponding amounts for earlier years not calculated. Does not include values of engraving, steel and copperplate, and plate printing, made as secondary products by establishments classified in other industries: 1925, \$1,154,445; 1923, \$428,960; 1921, \$350,926; 1919, \$437,169; 1914, \$591,899.

‡ Computed from published figures.

accomplish some of the routine processes, there remained a large opportunity for the exercise of individual skill and artistic judgment both in designing and in processing. According to figures for the industry, as reported in the Census of Manufactures of the United States Department of Commerce for 1925, wages and salaries accounted for \$13,705,429 out of a total value added by manufacture of \$24,477,839. Exhibit 1, containing statistics from the same source relating to the number and size of establishments, indicates that on an average the individual plants were not large.

The diversity, on a geographical basis, in value of products per establishment, however, is manifest from the table in Exhibit 2, showing the figures for 1925 subdivided by states which had in that year 10 or more establishments. In the three eastern states, New York, Pennsylvania, and Massachusetts, the average plant was considerably larger in value of production than the normal figure for the country as a whole.

EXHIBIT 2

NUMBER OF ESTABLISHMENTS AND VALUE OF PRODUCTS, STEEL AND
COPPERPLATE ENGRAVING AND PLATE PRINTING, BY STATES
WITH 10 OR MORE ESTABLISHMENTS, 1925

	Number of Establishments	Value of Products	Average Value of Products
New York.....	92	\$12,334,665	\$134,100
Illinois.....	45	4,168,752	92,600
Pennsylvania.....	35	4,169,750	119,100
California.....	29	888,389	30,600
Massachusetts.....	21	2,214,290	105,400
New Jersey.....	18	1,336,586	74,300
Missouri.....	17	1,192,657	70,200
Ohio.....	15	942,595	62,800
Kentucky.....	10	886,242	88,600
Minnesota.....	10	307,184	30,700

Source: *Ibid.*, p. 686.

The membership of the Association was not strictly representative of the industry. As late as 1926, the number of engraving firms represented in the Association was a relatively small proportion of the total number in the United States. In general, furthermore, the larger establishments had displayed unwillingness to

join in cooperative activity. This reluctance was attributed both to their size, which provided a measure of self-sufficiency, and to the attitude in certain instances that close cooperation with smaller firms might injure their prestige. Although by 1928 the Association's membership numbered 276, in comparison with the 1925 census figure of 368 firms in the industry with an annual volume of \$5,000 or more, there was still a preponderance of smaller companies represented.¹

The early years of the Association were devoted to the improvement of internal conditions in the industry. Costs of production were studied in an effort to place competing engravers on a uniform and intelligent accounting basis. An attempt was made to establish a code of trade ethics. Competitions were fostered among the members to produce new designs in alphabets and monograms. A compilation of proper forms for social engraving proved of value in producing uniformity throughout the country and in providing retail agencies with authoritative information on the subject for their customers. A cooperative buying scheme, undertaken for specific grades of paper imprinted with the Association's watermark, failed on account of conditions created by the World War. The maintenance of standards at that time proved practically impossible, successive lots of paper varied considerably in characteristics, and the Association members concluded that the plan offered them no real saving. A monthly magazine containing material of interest to the industry was published by the Association continuously from the year of its formation.

By 1921, the engraving industry recognized imitation engraving² as a serious competitive force working against the expansion

¹ With respect to the number of companies in the industry, the statistics of the Association varied widely from those of the Bureau of the Census. In 1925, in comparison with the census figure of 368, the Association had a carefully proved list of more than 950 engraving shops. A large part of the discrepancy was attributed to the \$5,000 minimum limitation placed by the Bureau of the Census on companies eligible to report under the Census of Manufactures. The Association believed, however, that a number of eligible engraving shops were not included in the census report because of their position as subordinate departments in businesses primarily engaged in other activities, such as jewelry and department stores and printing and lithographing companies. The Association estimated that the 368 reporting companies accounted for at least two-thirds of the sales volume in the industry.

² Engraving was defined by the Association as an impression from a hand- or machine-engraved plate, an etching, a transfer or intaglio gravure plate on either steel or copper.

of its sales. Imitation engraving was known by a number of different names, among which were the following:

Nonplate engraving
Plateless engraving
Process engraving
Thermography
Baked printing
Embossography
Raised printing

Steel or copper engraved plates were not required for these processes. The raised appearance of engraving was obtained, however, by printing with special inks containing resin which expanded when treated with heat. Lower prices ordinarily could be quoted for resin-baked products than for genuine engraving, since the delicate engraving operation was dispensed with. Imitation methods were considered less satisfactory than genuine engraving, however, inasmuch as their reproduction of characters was less sharp and precise and the ink lacked color depth. The long history of engraving, furthermore, which dated in Europe from the early Renaissance, was considered to give it priority in social usage over the newly invented processes.

Members of the engraving industry, however, believed that consumers in general were unaware of the differentiation between engraving and resin-baked printing. This situation allowed the purveyors of printed substitutes to secure inordinate selling pressure from the price appeal which they were enabled to make, if not actually to sell their products as genuine engraving. When a consumer was acquainted with the two methods of impression, furthermore, it was thought that he frequently chose the cheaper on the assumption that recipients of his stationery would not have the same knowledge and would consider it engraved.

In 1921, partly to offset the competition of imitation engraving and partly to instill in engravers a more aggressive selling attitude, the Association appointed an advertising counselor to draw up plans for a campaign of local advertising and promotion to be carried out in 1922. The funds of the Association, secured from the assessment of annual dues on member companies, were inadequate to finance a centrally operated advertising program, whether

national or local in scope. All material, consequently, which was devised under the plan used in 1922, was sold to members at prices which included the costs of the idea, art work, engraving dies, embossing, stock, all advertising copy, printing, and a small percentage to be applied to a "sinking fund."

The advertising counselor devised three main types of local advertising helps: direct-mail folders, blotters, and electrotypes for newspaper advertisements. A window card and a calendar were also designed. All the items were presented to the membership of the Association in a broadside headed: "Details for \$50,000,000 Business Drive—1922." A second caption in large type stated: "If all members of 'Engravographia' were equally progressive, each member's business returns for the year closing this campaign would be doubled!" One column in the broadside urged members to make use of the Association's emblem. Another pointed out that in the layout of each item, consideration had been given to the individual requirements of members by reserving space in which specialized copy might be presented.

The direct advertising folders were made the foundation of the campaign. Six separate steel-engraved pieces were offered. The first page of each carried a decorative design, incorporating the Association emblem and a title such as "That Subtle Something That Dignifies," "Like the Handgrip of a Chum," and "The Actual Cost of a Business Letter." Approximately half of the inside page was taken up with copy, the headline for which was derived from the front-page title. The balance of the space was reserved for individual members' use. Copy from two of the folders is reproduced below:

The Fine Art of Dignifying a Business

Nature dignifies all her growth by beautiful form and color.

Engraving dignifies business growth in similar fashion.

Nature has no stereotyped form. Engraving is similarly free.

Every line in nature is reproduced in Engraving with a freedom altogether impossible to mechanical operations.

Because it follows nature's way of expressing dignity, engraving is the fine art of dignifying a business.

Let it have every opportunity of dignifying your business.

Like the Handgrip of a Chum

Communications by engraved means have a similar influence to that caused by the handgrip of a chum.

Steel-engraved products convey more than their words express, and more than ordinary consideration for custom implies. Call it the "Engravographia" caress if you will.

The art of Steel Engraving—applied to Address Cards, Stationery, Announcements, Circulars, and the like—gains the attention of the receiver by this dignifying grip.

The broadside stated that single orders for less than 1,000 copies of a particular folder could not be accepted and that no order could be filled until total orders for the folder reached 10,000. It was also stipulated that no two engravers in the same vicinity should be allowed to use the same folder.

On the blotters, which were offered in four designs, the copy made a more direct attack on resin-baked printing. On one, it was stated that "imitations of engraving afford the sincerest flattery ever offered to an Industrial Art," and on another that "to sell glass for diamonds or brass for gold is much more easily accomplished than it is to substitute imitations and call them 'Engraving,' to the man who knows that—This Emblem Protects Him." The figure and headline on each blotter were steel engraved, and the object of the set of four was stated to be "to offset the efforts—while ignoring the productions—of those who advertise resin-baked products as 'Engraving,' and to illustrate by example just what Steel Engraving really is."

Four newspaper advertisements were offered; they featured designs emblematic of the art of engraving, and copy under such headlines as "How the U. S. A. Dignified the '\$'—They Had It Steel Engraved" and "The History of American Culture." A service was offered by which copy to be used in completing the newspaper electros was to be written for each purchasing member from data which he supplied.

This plan of syndicated direct-mail and local advertising failed to evoke any considerable response among the members of the Association. A problem with respect to cooperative advertising was encountered which was believed to be peculiar to the industry. By the nature of the qualifications for membership, each cooperating company was a producer of engraving. Many of them, furthermore, had had experience with the structure and reproduction of advertising. There was a widespread conviction among the members, consequently, that each one not only could have designed better advertising literature than was offered by

the Association, but could have reproduced it better and more cheaply. Executives of the Association believed that the members had appraised the campaign rather through the eyes of engravers than through the eyes of advertisers.

Another cause of difficulty in the conduct of a cooperative advertising plan lay in the divergent interests of two groups within the industry which were differentiated by their methods of distribution. One group dealt directly with customers and consequently assumed the entire burden of selling attached to its activities. The other, composed of those known in the industry as trade engravers, distributed through retail representatives. These representatives carried samples of engraving and of the social forms in which it was used, and took orders for engraving which were made up by the trade engraver with whom they were affiliated. Compensation for the representative was based on a percentage of the sales which he secured. Arrangements for representation were made with stationers, booksellers, jewelers, stationery departments of department stores, and other retail outlets which carried on the activity only as one department in their businesses. The two classifications of engravers were not entirely distinct, since some carried on a trade and a direct business simultaneously. The experience of the Association had demonstrated that trade engravers were in general less interested in cooperative advertising, whether local or national, than were those who sold direct; and that some antagonism existed among members of the direct-sale group toward advertising or promotional assistance by the Association which would further the sale of engraving through retail representatives.

Based on the experience gained in 1922, another plan for the stimulation of the sales of engraving was executed the following year. It was similar to the previous program in that it provided for local promotion only, guarded against the use of identical items by engravers competing in the same territory, and charged members for material ordered. Other details, however, were changed. Only direct-mail folders were designed. The Association furnished dies from which these folders might be stamped, and each cooperating engraver performed his own presswork. Layouts and copy were designed by one of the Association's members who had had wide experience in the preparation of advertising.

As had been the case with the previous campaign, however, there was inadequate cooperation from members to make the plan a success. The same sort of dissatisfaction with designs was manifested. Furthermore, the plates from which impressions of the inside pages of the folders were made, were routed from one to another of the cooperating companies, and it was found that some of the companies held the plates for an undue length of time before forwarding them to the next company on the schedule.

The obstacles encountered in 1922 and 1923 proved sufficient to prevent a further attempt at cooperative advertising and promotion during the two succeeding years. It was recognized, however, by executives of the Association and by some of its members that an effective means of solution for the marketing problems of the industry was essential unless a stationary or declining trend in sales was to be supinely accepted. Despite the fact that a consensus of opinion among the members on any plan appeared difficult to secure, and that the dues received by the Association were inadequate to support an aggressive program, the goal of sustained cooperative activity was not abandoned.

In 1926, the Association introduced the Mark of Engraving, a registered symbol suitable for the use of members in various ways in identifying genuine engraving. The Association had previously utilized a trade emblem, but was convinced that a simpler and more adaptable design was desirable. The mark consisted of an engraving tool, its point in a position to indicate that it had just completed the etching of a compound curved line (Hogarth's line of beauty) which appeared just beneath. Under this symbolic representation of the engraver's art, and completing the mark, was the word ENGRAVED in plain Gothic capitals.

Only members of the Association were licensed to use the Mark of Engraving, and the conditions under which its employment was permissible were set forth in the form of a contract signed by each user. The various practical applications of the emblem, as suggested by the Association, were as follows: impression on genuine engraved merchandise; impression of the mark, or pasting of a seal containing the mark, on a separate card to be enclosed in packages of genuine engraved productions; use of the seal in securing ribbon or glassine wrapping for calling cards or other small products; plain embossing of the mark on wedding announcements and similar stationery where unobtrusiveness was essential;

imprinting on regular stock bands for banding cards, envelopes, sheets, and other engraved products.

The effect anticipated from widespread utilization of the symbol by members was indicated by the following sentences from the Association's introductory presentation:

The Mark of Engraving assures public recognition for genuine engraving produced by members of Engravographia. To gain this recognition, every member of Engravographia must do his utmost to use the Mark in every way possible in connection with his own business.

The Mark of Engraving is a guard against imitation and stands as a bulwark against the onslaughts of unscrupulous people who would deliberately palm off imitation products on the public. Numerous producers of imitations, calling themselves engravers of one kind or another, are not engravers in any sense of the word.

The Mark of Engraving is protected by registration in the United States Patent Office and its appearance on all forms of genuine engravings will in a comparatively short time bring a public recognition of the engraver's art that could not be achieved in any other manner.

Between the time of the direct-mail folder campaign of 1923 and the month of July, 1926, during which a convention of the Association was scheduled, no concerted or comprehensive effort had been made by the Association toward the promotion of sales of engraving. A numerous group of members, however, were convinced that advertising would prove beneficial to the industry if some practicable plan could be evolved and if the necessary funds could be raised. The executive committee, consequently, was not predisposed unfavorably toward a plan of national advertising and promotion which an advertising agency proposed to it at that time. The plan was presented to the convention, which conferred authority for final decision on the executive committee.

The committee decided, in December, 1926, to raise funds for a four-year campaign of national advertising and local promotion. A board-bound book of 16 pages, entitled *Let's Double Your Business*, was mailed to engraving companies throughout the country, whether or not they were members of the Association. This book described the proposed campaign and the conditions which had prompted it, urging every engraver to join the Association and support the advertising program. Membership in the Association was made conditional on such support, and only

subscribers were to receive the materials prepared for the campaign. Direct solicitation of engravers was carried on through representatives of the Association. Manufacturers of machinery and materials used in engraving also were urged to cooperate and subscribe. Quotas based on plant equipment were assigned to each engraving company, and subscriptions were taken in the form of eight trade acceptances payable semiannually over the four-year period. The acceptances were deposited with, and collections made by, a bank with which the Association entered into a trust agreement. Payments were made by the trustee out of Association funds only upon the joint authorization of the advertising agency and the general manager of the Association.

The Association's organization for the conduct of the campaign consisted of 3 members delegated from the executive committee of 16 to act as an Advertising Committee. This group maintained contact with the advertising agency, which was responsible for the details in connection with raising of funds, preparation of layouts and copy, selection of mediums, and printing of promotional material. Local advertising helps were sent by the agency to the office of the Association in New York City and distributed from that point.

The reasons and objectives for the campaign were described in the prospectus *Let's Double Your Business* in the following language:

Your real competitors are not other engravers. You only contend with them for business that already exists. And that volume becomes relatively less each year.

Other industries, with aggressive selling, pull and tug at the purse strings of your prospective customers and hold down your business and your profits more than your fellow craftsmen in Engravographia. It is these other products that *take* the money which might be turned towards your shop.

. . . the great stumbling block which prevents our making notable increases in our profits is the apathy of the general public towards genuine engraving. The people are not *engraving-conscious*. They don't know what genuine engraving is. They don't care to know.

American business is not *sold* on the fact, that genuine engraved stationery, announcements, cards, advertising, are about as impressive as an AAA-1 rating in Dun's.

Too few men and women are conscious of the *tone* of real steel and copperplate engraving in their social activities . . . the books on etiquette may specify engraving, but it has gradually become one of

those "Who Cares?" things. Imitation is just as good in the minds of many. Printing is all right . . . "But why bother even with that. Don't send invitations. Just call them on the phone," they say, if they think about it at all.

There is your *real* competition. It is the attitude of mind of American Business and Social America towards genuine engraving. They are flower-conscious, jewelry-conscious, know they must paint their houses, have automobiles and radios. They know they must "dress well if they are to succeed," but folks just don't feel that they must use genuine engraving to be happy or to be dignified.

We also face *grave* danger in the rapid development of imitation engraving . . . Something must be done at once, else the imitation will soon be recognized as the genuine, and our honorable, incomparable, meritorious product will soon be forgotten or classed with corsets as an old-fashioned thing they "*used to do back in the Victorian Nineties.*"

Even now comparatively few people can detect imitation engraving. They think if "you feel it when you rub it" it is genuine . . . The great increase in sales of faked engraving is largely based on this ignorance of an *unsuspecting* public.

TO TEACH TRUTH ABOUT GENUINE ENGRAVING

To overcome these sales resistances, a four-year cooperative sales and merchandising program has been planned to teach the millions the truth about genuine engraving. The campaign will make the public conscious of the need and uses of engraving in business and social contacts.

This program will be energized by a dominant, national advertising campaign, intensified by individual advertising by each engraver, and supported by practical, cooperative sales campaigns both by the industry and by individuals along suggested scientific business-building lines.

The Mark of Engraving, already generally established throughout the industry, will be the identifying symbol of genuine engraving. The national advertising, in addition to subtly influencing a widespread appreciation and demand for engraving, will lead the public to look for and demand the genuine as signified by this Mark.

We will make the *Mark of Engraving* mean what Sterling means to Silver, what the 18-karat stamp means on gold. It will become one of those known *guide-posts of genuineness*, just what the certified public accountant's seal means on a financial statement, the abstractor's signature on a deed or the underwriter's guarantee on an office safe. The Mark of Engraving will soon become a good-will asset worth millions of dollars to this industry, just as that selling slogan "Say It With Flowers" is invaluable to floriculture.

The prospectus continued by explaining that only subscribers would be licensed to use the Mark and that the benefit would thus

be confined to those who contributed; that at least \$1,000,000 was expected for the campaign fund; and that the Association contemplated a continuous program of advertising to cover a long period, subdivided into four-year cycles. Concerning the necessity for sustained effort, the prospective read:

Results cannot be expected overnight. Constant repetition finally brings favorable familiarity. That means demand. Demand means orders, and orders mean more profits for you.

The number of subscribers to the campaign was reflected by the increase in membership from approximately 161 in 1927 to 276 at the end of 1928, by which time \$378,000 in subscriptions had been secured for the four-year period. Inasmuch as the first of the eight trade acceptances signed by cooperating companies was dated January 5, 1928, funds for the prosecution of the program were not available until that time. The first eight months of the year were occupied with completion of solicitation and planning, and magazine advertising commenced in September.

Copy and mediums were selected to appeal to consumers of two classes of engraving, business and social. The schedules of insertions in each type of medium in 1928 were as shown in Exhibit 3.

EXHIBIT 3

SCHEDULE OF MEDIUMS FOR ADVERTISING CAMPAIGN OF ENGRAVED STATIONERY MANUFACTURERS ASSOCIATION, 1928

Social Stationery:

Saturday Evening Post.....	Oct. 6	Oct. 27	Nov. 17	Dec. 1
Vogue.....	Sept. 1	Sept. 29	Nov. 10	Dec. 8
House and Garden.....	Sept. ..	Oct. ..	Nov. ..	Dec.
Vanity Fair.....	Sept. ..	Oct. ..	Nov. ..	Dec.

Business Stationery:

Saturday Evening Post.....	Sept. 15			
Nation's Business.....	Sept. ..	Oct. ..	Nov. ..	Dec.
Forbes.....	Sept. 1	Oct. 1	Nov. 1	Dec. 1
Sales Management.....	Sept. 1	Oct. 6	Nov. 3	Dec. 1

Exhibit 4 shows the projected schedules of mediums for the first half of 1929.

In the 1929 advertising for social stationery, April with seven insertions and May with six were the peak months. The schedule was so arranged on account of the general incidence of weddings and graduations in the late spring and early summer. Four

EXHIBIT 4

PROJECTED SCHEDULE OF MEDIUMS FOR ADVERTISING CAMPAIGN OF
ENGRAVED STATIONERY MANUFACTURERS ASSOCIATION, FIRST
HALF OF 1929*Social Stationery:*

Harper's Bazaar.....	Feb. . .	Mar. . .	April . .	May		
Vogue.....	Feb. 2	....	April 13	May 11	June 8	
Vanity Fair.....	Feb. . .	....	April . .	May . .	June	
House and Garden.....	Feb. . .	....	April . .	May . .	June	
Spur.....	Feb. 1	Mar. 1	April 1	May 1		
Asia.....	....	Mar. . .	April . .	May . .	June	
Good Housekeeping.....	....	....	April . .	.....	June	

Business Stationery:

Nation's Business.....	Feb.....	....	April			
Forbes.....	....	Mar. 1	....	May 1		
Sales Management.....	Feb. 2	Mar. 2	April 6	May 4	June 1	

insertions had been run in each of the final months of 1928; since the campaign had only begun at that time, however, no similar appraisal of seasonal emphasis in relation to Christmas and New Year demand could be made. As far as business stationery advertising was concerned, no monthly differentiation had been apparent, although the schedule was cut from a normal of three magazines a month in 1928 to two in the first half of 1929. It was also worthy of note that no magazine of either class was used in January, which followed immediately after the culmination of holiday sales volume.

The reasoning employed by the Association in its use of magazines as a basis for the campaign and in its selection of specific publications as mediums was outlined on the final page of the prospectus in these words:

Blanket the Country

No one engraving house, or group of engravers, can afford to attempt to sell the idea of genuine engraving in a single city or district. Experience shows that the only practical way to merchandise a commodity today is in a national way. Unless the Mark of Engraving crosses the country simultaneously it will be a failure.

There is a constant shift of population, and ideas flux from coast to coast. Ideas are carried back and forth across the country in a dozen different ways, and unless the whole country is educated on a thought at the same time it never becomes standardized. The only possible way to bring about a profitable reaction for genuine engraving is through a central organization carrying along a national advertising campaign.

Magazines have been chosen as the advertising medium to carry the main selling message of this program to the minds of the millions, because:

. . . *first*, magazines have proved themselves effective mediums for virtually every other trade association. *Second*, our message is aimed only at the upper 50% in the social stratum. The selected magazines will reach the groups we are after without waste of circulation and money. *Third*, and most important, magazines comprise the only medium practical to use to get a simultaneous national reaction.

The layouts for the magazine advertisements were designed to occupy two columns. For the 1928 series, this space was uniformly allotted approximately in thirds to the headline, illustration, and copy. Illustrations were rectangular in shape and occupied the centers of the advertisements. In the general magazines the advertisements attempted to convey by pictures of distinguished individuals or groups the connection between engraving and socially accepted usages. In the business papers were depicted executives examining with approval engraved letter-heads, announcements, and greeting cards received in their mail.

Headlines were placed above the illustrations, and the copy, which was relatively brief, was placed beneath. Two examples from advertisements of each classification are given below:

Genuine Engraved Christmas Cards Are Socially Correct

Now is the time to order your Christmas cards. And remember to use *genuine* engraved cards to carry your Yuletide Greetings. They are socially correct and you may be sure they will be remembered and appreciated when others receive only a passing glance. Buy your *genuine* engraved Christmas cards wherever you find displayed the Mark of Engraving shown below.

The Successful Hostess Insists upon Genuine Engraving

She knows that no detail is more important than that her announcements, invitations, visiting cards, and other forms be socially correct. She insures this by insisting that they be *genuine* engraving. Perhaps that is one of the reasons she is a successful hostess. Any merchant displaying the Mark of *Genuine* Engraving shown below will gladly offer you the benefit of his advice and experience.

Give Your Business Announcement the Dress It Deserves

Whether it be announcing the promotion of some member of your organization or the addition of a new member to the firm,

if you feel it important enough to announce, it should carry a fitting sense of correctness and dignity. The distinction of a *genuine* engraved announcement is something that is really essential. Confer with any merchant displaying the Mark of *Genuine Engraving* shown below.

The *Genuine Engraved Business card* opens closed doors.

Your Letterheads Gossip about Your Business

Do your letterheads tell your business associates a truthful story of your responsibility and integrity—or do they utterly fail to carry an atmosphere of dignified success? Be sure that your letters create the best impressions by using *genuine* engraved stationery. Any dealer displaying the Mark of *Genuine Engraving* shown below will gladly offer helpful suggestions.

The *Genuine Engraved Business Card* opens closed doors.

Each of the advertisements to business men closed with the quoted suggestion concerning engraved business cards. At the bottom of all layouts in the 1928 series, the Mark of Engraving in the form of a seal was reproduced above the words "Genuine Engraved Stationery." The headlines were set up partly in script and partly in other type faces, with the object of expressing the flexibility of the engraving method as well as the distinctive qualities which it conferred on stationery.

Some changes were made in the advertisements which were prepared for the first half of 1929. Size of space was to remain the same, but uniformity in layout was abandoned. Illustrations were cut in varying geometrical shapes and the whole presentation of headline, illustration, and copy in each advertisement was made to conform to a unified general design. White space was used more freely. The copy approach was essentially the same, and the Mark of Engraving was still given prominent display. The sentence "Genuine Engraved Business Cards Open Closed Doors," however, was to have a place at the bottom of every advertisement, whether for social or business stationery. One advertisement was built entirely around that theme, using the sentence as a headline.

Exhibits 5 and 6 present two advertisements from the series of 1928, and Exhibits 7 and 8 two from that of the first half of 1929.

Advertising in trade papers for 1928 was confined to a double-page spread, in December only, in the following five magazines: *Geyer's Stationer*, *Gift and Art Shop*, *Modern Stationer*, *Pacific Stationer*, and *Walden's Stationer*. The group of engravers who

Genuine Engraved Christmas Cards *are socially* Correct



E. M. A. C. 1928

Now is the time to order your Christmas Cards. And remember to use *genuine* engraved cards to carry your Yuletide Greetings. They are socially correct and you may be sure they will be remembered and appreciated when others receive only a passing glance. Buy your *genuine* engraved Christmas Cards wherever you find displayed the Mark of Engraving shown below.

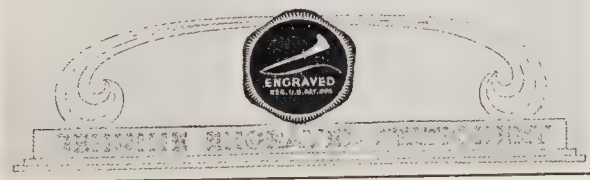


Exhibit 5: Magazine advertisement used by Engraved Stationery Manufacturers Association in 1928 campaign.

The Successful Hostess insists upon Genuine Engraving



Here are a few
of the many
functions for
which you
should use gen-
uine engraving
to be socially
correct:

Weddings
Receptions
Dances
Dinners
Teas
Debuts
Parties
Promenades
Formal Balls


SHE knows that no detail is more important than that her announcements, invitations, visiting cards and other forms be socially correct. She insures this by insisting that they be genuine engraving. Perhaps that is one of the reasons she is a successful hostess. Any merchant displaying the Mark of Genuine Engraving shown below will gladly offer you the benefit of his advice and experience.




GENUINE ENGRAVED STATIONERY

Exhibit 6: Magazine advertisement used by Engraved Stationery Manufacturers Association in 1928 campaign.


ENGRAVED STATIONERY MANUFACTURERS ASSOCIATION



*Those whose taste
is unquestioned use
Genuine Engraving*



THEY know, those persons of discriminating taste, that social reputations are made or wrecked by instinctive impressions. Accordingly, their stationery and social forms are graced with the charm and character of *genuine engraving*. No make-shifts, no substitutes can convey the same distinction. To make certain of the *genuine*, look for the identifying symbol pictured here. See that this mark appears on product or package.



***Genuine Engraved Business Cards
Open Closed Doors***

Exhibit 7: Magazine advertisement used by Engraved Stationery Manufacturers Association in 1929 campaign.

ENGRAVED STATIONERY MANUFACTURERS ASSOCIATION



*Prestige is priceless
yet it is yours with
Genuine Engraving*

PRESTIGE is too precious to price-tag. You'll never find it on a bargain counter, or quoted on the curb. But a substantial business such as yours may gain prestige in a simple way. Use *Genuine Engraving* for your letter-heads and business announcements. At an added cost of a fraction of a cent a sheet, you can quickly gain true distinction and respect for your message. To be assured of *Genuine Engraving* be sure that the identifying mark shown below is affixed to the material you purchase.



GENUINE ENGRAVED BUSINESS CARDS OPEN CLOSED DOORS

Exhibit 8: Magazine advertisement used by Engraved Stationery Manufacturers Association in 1929 campaign.

sold direct to customers were reluctant to support a more extensive advertising campaign among the middlemen through whom trade engravers distributed. In the advertisement, the following headline ran across the top of both pages: "Teaching the Millions to Buy Genuine Engraving." Across the bottom were ranged reproductions of the eight advertisements which constituted the consumer campaign for 1928, with the month of appearance indicated for each. The short and condensed copy on the left-hand page read as follows:

The National Advertising of the Engraved Stationery Manufacturers Association has started! Interesting, dominant, arresting, these advertisements, in a carefully selected list of publications, such as the Saturday Evening Post, Vogue, Vanity Fair, House and Garden, Nation's Business, etc., carry our message to millions of minds. The following list of firms are sponsors and supporters of this great movement for the betterment and increased profits of the industry:—

The remainder of the space was occupied by the list of subscribers, classified by states. The advertisement is reproduced as Exhibit 9.

To supplement the publication advertising, the Association provided a variety of items which were designed to assist subscribers in the profitable conduct of their businesses and in the expansion of their sales. The majority of these items had been prepared by the Association in earlier years and were offered in the same or a revised form largely to attract new members for the campaign. This type of assistance included the booklet "Proper Forms for Social Engraving"; master plates for the winning designs in alphabet style competitions, with display cards illustrating the styles in use; a license to use the Mark of Engraving; the currently revised loose-leaf Engravographia Manual, giving information on proper engraving forms, production records, costs, selling, and other subjects; a treatise on the Association Cost System with the necessary accounting forms; and the monthly magazine, *The Engravers Bulletin*. Subscribers were charged with the cost of certain items and were required to pay for others above specified free allotments based on the amounts of individual subscriptions. Otherwise, the material was distributed gratis as a benefit attached to membership.

In addition to this material taken over from the previous activity of the Association, there were devised two new types of

*Only Genuine
Engraved Forms
are socially Correct*



BESIDES being recommended by all the best books on etiquette, *genuine* engraved invitations and announcements have a distinctive air and tone which cannot be duplicated. Discuss your needs with us.

YOUR NAME HERE



GENUINE ENGRAVED STATIONERY

A3

Order From

ENGRAVED STATIONERY MANUFACTURERS ASSOCIATION

THEO. A. ISERT, General Manager

2034 Fisk Building, Broadway and 57th Street, New York, N. Y.

Exhibit 10: Newspaper advertisement used by Engraved Stationery Manufacturers Association.

service to members: sales letters and newspaper advertising mats. Two series of letters were distributed, one for the use of trade engravers in securing new outlets and in building larger volume through existing outlets, the other primarily for direct-sale engravers as a mailing campaign to customers and prospects.

The mats for newspaper advertisements of members were of three sizes, 1 column by 4½ inches, 1 column by 7 inches, and 2 columns by 9 inches. In the smallest space mats, 15 layouts were offered; in the largest, 3; and in the 1 column by 7 inch size, 8. Copy was similar to that employed in the magazine advertisements. The largest layouts, in fact, were identical in headline, illustration, and copy with 3 of the 1928 magazine series. Space for the name of the engraver who inserted the advertisement was reserved at the bottom of all the mats, although the single-column 4½ inch layouts were designed principally for use as part of larger advertisements. A total of 10 mats was allowed to subscribers without charge, any over that number at 15 cents each. Electrotypes were also made available at commensurate prices. An example of the newspaper advertisements is presented in Exhibit 10.

In January, 1929, little evidence of results had been obtained by the Association. The program had been in actual operation for only four months out of an immediately projected period of four years. The response of the engraving industry had been larger than had been experienced in any previous cooperative promotional undertaking of the Association. As far as sales during 1928 were concerned, however, the Association had received a disparate group of appraisals in answer to a questionnaire on the subject. No definite trend in the sales of engraving was observable on the basis of these replies. Since the objective of the campaign had been definitely set as an educational one, immediate results were not deemed an essential measure of its value to the industry. The Association hoped, however, that the year 1929 would witness a sufficient stimulation in the sales of engraving to demonstrate that the program was well founded.

COMMENTARY: At the best, the task of increasing sales of engraving through the use of paid space was a difficult one. True, the promotion lent itself to the use of emotional motives appealing to social prestige, and the advertisements employed made effective presentation of the appeal. Probably a continued program of such advertising might

have been expected to bring about a higher appreciation of engraving on the part of many potential users, for both social and business purposes. The message, however, did not have unusual news value, nor does it seem to me that it was vital enough in connection with the product to be dynamic with many readers. Only an undue optimism would have led to prophecy of appreciable sales increases. A conservative estimate of the actual sales results to be obtained through such a program of promotion was called for. The document used in soliciting support for the program, however, was not restrained in tone. It played up the powers of advertising, and in keeping with the title "Let's Double Your Business" appears to me to have held forth expectations that were likely to be doomed to disappointment.

The Engraved Stationery Manufacturers Association followed a practice to be found in several other cases in this series, of having its members commit themselves to support of a cooperative effort over a period of years. Such a plan, while it has much to commend it, yet seems to me open to question from the standpoint of trade association management. Purely primary advertising of the kind involved here, which aims to instruct people concerning a product and to change their viewpoints toward its use, is not likely to be productive of immediate results. Reiteration of a message over a period of years might well appear necessary in order to accomplish the results desired. Accordingly, it is desirable to plan a promotion of some duration. To secure commitments in advance insures continuity of advertising and avoids the expense and bother of subsequent solicitation. A danger in leading individual firms to make long-term commitments in this way occurs, however, when, in securing the commitments, expectations of too great results are held forth. Such advertising and promotion is not likely to change the sales situation appreciably at the end of one or two years. Accordingly, there may be considerable disappointment and disgruntlement as subsequent acceptances become due. Such dissatisfaction, in turn, may undermine the solidarity necessary for effective association work. If long-term commitments are to be sought, then care should be taken not to lead contributors to expect too much from the cooperative effort. Understatement rather than overstatement is in order.

December, 1930

N. H. B.

ASSOCIATION OF MANUFACTURERS OF WOODWORKING MACHINERY

TRADE ASSOCIATION—WOODWORKING MACHINERY

COOPERATIVE ADVERTISING—*Campaign Conducted at Small Expense.* An association of manufacturers of woodworking machinery initiated a campaign of bimonthly advertising in five trade papers, using copy designed to induce the purchase of modern machinery and the scrapping of out-of-date equipment. Since the advertising space was contributed by the trade papers, two of which also ran similar pages of their own in the months in which the association copy did not appear, and since the copy and layouts were devised by the advertising manager of one of the member companies, the cost of the campaign to the association consisted only of the art work and the preparation and mailing of plates. On this basis the association was able to advertise, during the first two years, at a total annual cost of about \$500.

(1926-1928)

In September, 1926, the Association of Manufacturers of Woodworking Machinery initiated a campaign of advertising aimed at the promotion of sales of its members' product. The copy was designed to convince users of the desirability of maintaining plants equipped with modern tools and to point out the handicaps imposed by the continued use of out-of-date equipment. In November, 1928, the advertising had been run continuously for more than two years.

An example for such a campaign was provided by a closely allied industry. The National Machine Tool Builders' Association, the organization of manufacturers of metal-working machinery, had begun in November, 1924, a similar series of advertisements, which were still appearing in November, 1928. Although that campaign had been sponsored by the Association, the advertising space in various publications in the machinery field had for a period been contributed by individual manufacturing company members. This method, however, did not prove entirely satisfactory, and subsequent advertisements were inserted exclusively in the *American Machinist*, under a cooperative arrangement with that magazine. "Modern Machine Tools—the Master Tools of

Industry" was the slogan used to provide continuity throughout the series. The importance of low-cost production and of high-quality finished work, the handicap of high repair costs, the relation between machinery and wages, and an exposition of the delusion involved in the low price of second-hand tools were utilized as copy appeals.

While this campaign in behalf of the machine tool industry was in progress, the Association of Manufacturers of Woodworking Machinery became convinced that similar activity would be of value in its own field. One of the trade papers serving the woodworking industry was requested to contribute each month or every other month a page to be devoted to the promotion of modern machine equipment. The copy was to appear over the signature of the Association; and the contribution of the space by the publisher was solicited on the score that the results of such advertising, while of course affecting favorably the sales of machinery manufacturers, would at the same time prove of considerable benefit to the users of such machinery. Since the paper did not at first accede to this request, the proposition was held in abeyance. Upon further discussion in the early part of 1926, a leading part in which was taken by the advertising manager of one of the woodworking machinery manufacturers, the magazine agreed not only to grant the request for a bimonthly page under the auspices of the Association, but also to run a similar page of its own in the months in which the Association copy did not appear. The Association, for its part, arranged to prepare the material which was to be inserted over its name.

Four other trade papers in the woodworking field subsequently arranged to print the copy prepared by the Association in alternate months throughout the year. One of the four followed the lead of the magazine which first accepted the arrangement and printed its own page of similar copy in the intervening months. All five, in addition, supported the movement with articles and editorial matter.

The total distribution, the net paid circulation, and the page sizes for the five cooperating papers, as reported in the November, 1928, issue of the *Standard Rate and Data Service*, were as shown on p. 298.

The electroplates of the Association's copy were routed from one to another of the three standard-size journals until each of

	Total Distribution	Total Net Paid Circulation	Page Size
Wood-Worker.....	8,565	6,938	7 $\frac{1}{8}$ " × 10"
Timberman.....	6,000	4,525	8 $\frac{5}{6}$ " × 11 $\frac{1}{2}$ "
Southern Lumber Journal.....	2,678	2,649	7 $\frac{5}{6}$ " × 10 $\frac{1}{2}$ "
Industrial Woodworking.....	12,200	(free)	4" × 6 $\frac{1}{2}$ "
Woodworker's Journal.....	12,049	(free)	4 $\frac{1}{4}$ " × 6 $\frac{1}{8}$ "

them had published each piece. For the pocket-size papers the plates were prepared in reduced form, but the same material was presented.

The *Wood-Worker* and *Industrial Woodworking* were the two papers which gave additional cooperation by providing their own pages. Copies of the issues in which these pages appeared were sent by the two magazines to the members of the Association as an exhibition of their cooperative attitude.

Beginning with August, 1928, the insertions over the name of the Association were scheduled monthly. The additional space, which was also contributed by the several papers, took the place of the previous editorial pages in the *Wood-Worker* and *Industrial Woodworking*; it doubled the size of the program in the other magazines. Editorial support was continued by all the papers.

The Association of Manufacturers of Woodworking Machinery, formed in 1899, had headquarters in Chicago. The membership of 30 represented about 80% of the woodworking machinery manufacturers in the United States and about 90% of the machinery produced. The Association's cooperative activities were supported by dues based on a percentage of plant pay rolls. The organization took little active part in the advertising campaign other than payment of the art and preparation costs from its treasury. The chief responsibility devolved upon the advertising manager who had been instrumental in securing the cooperation of the magazines; he devised the layouts, wrote the copy, and arranged for insertions.

The motives presented in the advertising to prospective buyers to stimulate purchase of modern woodworking machinery in place of old machinery were these:

1. Improved finish and the elimination of the sanding operation attained in modern machinery through better design and higher spindle speeds.

2. Larger volume of output per machine and ability to process products of larger size or greater complication.
3. Convenience to the machine operator—easier control and less time spent in adjustment.
4. Less repair cost.
5. Prompter service to customers, following from the ability to produce a larger volume of finished work in an equal time.
6. Reduced cost of finished work—resulting from reduction in operations, in wage and repair costs, and in time-wasting adjustments, and from increased output per machine—despite the initial cost of the new tools.

The entire advertising attack was aimed at obsolete equipment. If the sales arguments could induce the purchase of modern machinery and at the same time the scrapping of old and second-hand tools, the market possibilities would be enhanced in two directions. Normal progress in installation of new machinery would be hastened and the deterrent competition from the second-hand machinery market would be lessened.

The keynote of the campaign was sounded in the first advertisement which appeared in September, 1926. It asked, in the headline: "How Many Bids Are You Losing—and Why?" and the copy proceeded to explain:

Sometimes you may think your competitors are cutting prices—but is it so? Of course no concern can expect to get all the business it goes after, but if it fails to land a reasonable percentage of it, there's usually a reason. It may be poor salesmanship, but—more often it's because competition is too keen. Somebody else gives better service or quotes better prices or delivers better quality, or, perhaps, does all three. And back of this competitive superiority is, ninety-nine times out of a hundred—better mechanical equipment.

Sales success is never built on the basis of obsolete machinery. Machines may be just as efficient, just as productive as they were five or ten years ago, and yet be hopelessly out of the running when competing with the improved product and lowered operating costs of the machines which are supplanting them today. It isn't at all difficult to get at the facts. Comparisons between old and modern machinery, showing the relative earning power of each, will disclose results that will amaze the millman who has persisted in believing that he doesn't need to modernize his equipment.

Another typical insertion, that for March, 1927, ran as follows:

ARE YOU BEING ROBBED BY OBSOLETE MACHINERY?

It is perfectly true that in many woodworking plants some machines have been given such excellent care over a period of

years that they are running almost as smoothly today as when they were first bought. Unquestionably they were the pride of the factory that turned them out when they were new. And yet, with every revolution of these machines, money is being taken from the treasury of the plants just as surely as though a burglar had entered the office and secured access to the vaults.

New conditions, new demands have arisen since these machines were produced. New ideas, new processes have had to be developed to cope with these new conditions and the inventive genius of America has, as usual, been equal to the situation.

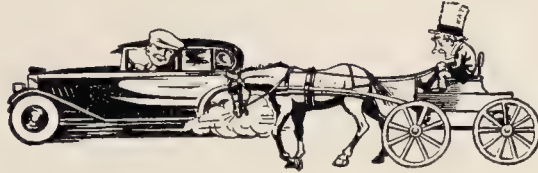
Millmen who have been prompt to recognize these facts have gained a decided advantage over their procrastinating competitors by installing the newer machines, reducing their costs, perfecting their products, increasing their output, and improving the strength of their competitive positions.

The tenor of the campaign copy may be further indicated by several additional headlines: "Old, Worn-out Equipment Doesn't Get Anyone Anywhere, Nowadays," used on the advertisement reproduced in Exhibit 1; "The Time for Action Is Now!"; "Say It with Dividends"; "What Good Is Half a Machine to Anybody?"; and "The Player Who Bats over .300 Doesn't Wait for a Base on Balls."

One advertisement, prepared in October, 1928, differed from the others. Under the caption "Business Has Wings!", it discussed the implications for the woodworking industry of advancements in transportation, ending with two paragraphs on new developments in woodworking machinery.

Each layout was illustrated in pen and ink by a commercial artist. A majority of the drawings were humorous in nature, and all of them dramatized the copy appeal. Approximately a third of the space, on an average, was given over to headline and illustration, the prominent combination of which was calculated to secure and hold attention and at the same time to drive home the appeal. Humorous pen sketches in the nature of cartoons permitted the desired dramatic effect, while harmonizing with the conversational character of the copy. For instance, the advertisement entitled "Are You Operating a Second-hand Plant?" pictured an ordinary citizen before a mirror in a clothing establishment in consternation over the atrocious fit of the suit he was trying on, while the proprietor beamed and termed the outfit "perfect!" The proprietor was Mr. Old Methods, the suit was Obsolete Machinery, and a sign over the store door advertised Misfit Clothing.

Old, Worn-Out Equipment Doesn't Get Anyone Anywhere, Nowadays



IT sounds unbelievable but it's nevertheless true that in thousands of American woodworking plants today, there are machine installations that are ten, twenty, and even fifty years old. Scrupulous care is responsible for the fact that these machines are still running. And that's just where they fool the plant owners. The fact that the wheels are still able to turn, blinds the owners to a recognition of the losses that pile up with every turn of the wheels.

How can these old, slow-feed machines be expected to compete with modern equipment that does the job in anywhere from a half to quarter of the time and does it twice as well? Although the old machines may run, they are entirely out of the running.

**Look to Your Profits
at their SOURCE**

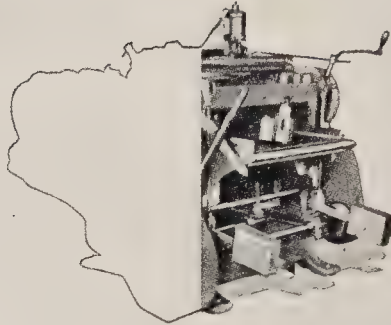
—Production

A rapidly increasing number of plant owners are becoming aware of this situation. What is still more significant,—mill superintendents, foremen and operators are also realizing the uselessness of remaining identified with a plant equipped with obsolete machinery. They are beginning to feel that they are throwing their time away. Ambitious to give their children a better start in life than they were able to secure for themselves, they know that they cannot hope to accomplish their objectives unless they become associated with a plant equipped with the modern machinery necessary to insure success in these sharply competitive days.

ASSOCIATION of MANUFACTURERS of WOODWORKING MACHINERY

Exhibit 1: Trade paper advertisement used by Association of Manufacturers of Woodworking Machinery.

*What Good is **HALF** a Machine to Anybody?*



THE answer to that question is so apparent that, in a way, it seems as if it never should have been asked.

And yet, in many a woodworking plant in this country today old-fashioned machines are being operated that are only half as effective as their modern successors. Just because these old machines are still running, the owners lose sight of the fact that they are running at a loss, costing twice as much to operate, producing half the work (and an inferior quality at that) of the new machines that have been designed to take their places. From a competitive standpoint each one of these machines is only half a machine and "What good is half a machine to anybody?"

*Look to Your Profits
at their SOURCE*

—Production

*Keep yourself informed regarding new developments
in woodworking machinery*

ASSOCIATION of MANUFACTURERS of WOODWORKING MACHINERY

Exhibit 2: Trade paper advertisement used by Association of Manufacturers of Woodworking Machinery.

About one-third of the illustrations were not humorous, but were still dramatic. One of these pictured a salesman impeded in his progress by a ball and chain, designated "Old Fashioned High Cost Production Equipment." Another advertisement, shown here as Exhibit 2, presented a photograph of a woodworking machine with the left half indicated only by outline. In the headline of the same advertisement, "What Good Is Half a Machine to Anybody?", the word "half" was printed in large capitals, their lower portions black, their upper portions merely outlined.

The reading matter in each advertisement appeared in the lower half of the page. Wide margins provided the emphasis of white space. In most of the layouts, the left-hand margin was wider than that on the right; and this larger margin was broken, toward the center of the copy, by the insertion of one of two phrases: "Look to Your Profits at Their *Source*—PRODUCTION" or "Investments in modern machinery are soon retired—by GAINS alone." Across the bottom of each page was printed the name of the Association. All the advertisements were printed in black and white.

The pages which were run by the trade papers on their own account took the form of editorials. For the *Wood-Worker* these were written by the traveling field editor, thus providing not only an unbiased attitude on industry problems but an intimate contact with current affairs as well.

The cooperative program was confined to the advertising in trade papers. Although coordinate effort on the part of the individual manufacturers was considered to have a valuable function in securing actual sales from the advertising, none of the members of the Association linked their advertising or sales operations directly with the campaign. Adequate personnel, furthermore, was not available for the prosecution of a vigorous supplementary promotional program by the central organization.

An effort to secure new members for the Association, however, was contemplated. If the plan was executed, reprints of the cooperative advertisements were to be bound and sent to those manufacturers of woodworking machinery who were not members of the Association, as a manifestation of the advantages of group action. These bound reprints could also be utilized as direct-mail literature; in this capacity they would be distributed to key men among the less advanced woodworking plants.

As stated previously, the entire expense of the advertising to the Association lay in the art work and the preparation and mailing of plates. The average cost for each insertion on this basis was \$85, and the total annual cost for the first two years was approximately \$500. For the third year, 1928-1929, this total would be doubled, because the advertisements were appearing every month instead of every two months. The Association sustained no expense for copy writing and layout, which were handled entirely by the advertising manager who directed the work.

No specific evidence of results was available in November, 1928, at which time the campaign had been in operation continuously for over two years. Data on the trend of sales in the industry had not been collected. The director of the advertising, however, had no doubt that a favorable state of mind had been engendered among prospective buyers by the reiteration of the several appeals, and he was sustained in this belief by expressions of approval which had reached him from various sources within the industry. Any definite indication of the success of the campaign, furthermore, was complicated by the fact that sales of woodworking machinery depended largely on conditions in other industries which created the demand for finished lumber.

COMMENTARY: In view of the inconsequential cost of the above-described program of advertising and publicity to the Association of Manufacturers of Woodworking Machinery, it is undoubtedly safe to say that the cooperators got their money's worth. The case is unusual in that a substantial program of advertising and editorial publicity was obtained at so low a price.

The advertising was carried on as a thing apart from other sales efforts; at no point was it effectively tied in with the advertising or selling effort of individual companies. Therein the Association may have lost an opportunity to heighten the educational effect and to realize upon the work being done.

The advertising and editorial comment was primarily educational, its aim being to instill in the minds of prospects certain ideas about the desirability of using up-to-date woodworking machinery. As in all instances of the promulgation of ideas dissociated from appeals for specific merchandise, it is hard to estimate what the results might have been. In view of the small expense involved, the Association was undoubtedly justified in carrying on.

November, 1930

N. H. B.

AMERICAN LEATHER PRODUCERS, INC.

TRADE ASSOCIATION—LEATHER

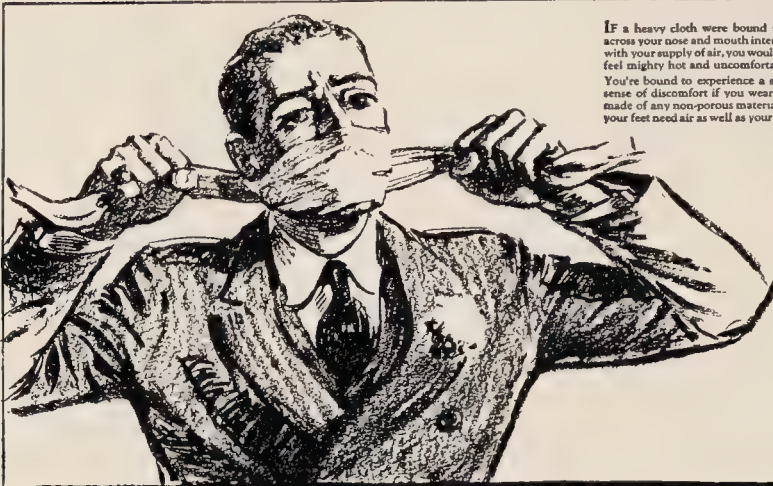
COOPERATIVE ADVERTISING—*Consumer Advertising to Combat Competition of Substitutes.* To combat the competition of soles made of rubber and rubber substitutes, which had resulted from the high price and scarcity of leather during the World War, several manufacturers of leather soles formed an association to carry on an educational campaign of consumer advertising describing the advantages of leather soles over substitute soles. During the first eight months of the campaign the association advertised in national magazines, and during the following two years it advertised mainly in the newspapers of several large industrial centers, where the competition from substitute soles was considered heaviest.

(1923-1926)

In 1922, the sale of sole leather in the United States was being seriously affected by the competition of rubber and other types of leather substitutes. During the World War, when the high price and scarcity of leather made the use of leather soles practically prohibitive, rubber manufacturers had aggressively marketed and advertised soles made of rubber and rubber substitutes; they were generally estimated to have secured approximately 12% of the total yearly sales of soles in the United States. These soles were retailed at approximately one-third the price of leather soles. The larger proportion of soles of substitutes were used on sport shoes and the cheap shoes for every-day wear.

In 1923, manufacturers who produced 94% of the leather soles made in the United States formed the American Leather Producers, Inc., an association whose purpose was to carry on an educational consumer campaign dealing with the advantages of leather soles over substitute soles. To provide money with which to carry on the campaign each manufacturer made a monthly contribution in the proportion of four cents for every cowhide and five cents for every steer hide tanned during the preceding month.

While some sole leather was distributed to leather findings wholesalers, who, in turn, distributed it to shoe repair shops, the larger part of sole leather manufactured in the United States was sold direct to shoe manufacturers.



If a heavy cloth were bound tightly across your nose and mouth interfering with your supply of air, you would soon feel mighty hot and uncomfortable. You're bound to experience a similar sense of discomfort if you wear shoes made of any non-porous material. For your feet need air as well as your lungs.

Advice to the Foot Weary

Here is a simple, common-sense suggestion—based on scientific facts—that will relieve much of your suffering

If you are subject to foot agony, if your feet burn and ache at night . . . it is probably due to the fact that you are not wearing leather shoes.

Perhaps you are wearing shoes soled with one of the non-porous materials, known as "leather substitutes." If so, you are not playing fair with your feet.

Scientists know that your skin needs a generous supply of air. Cut off this supply—or limit it—and you are bound to suffer.

Air is needed not only to reduce perspiration but to stimulate blood circulation. And lack of the latter is the under-

lying cause of numerous foot ailments. Many of your foot troubles can be eliminated, if you will wear nothing but sensible, leather shoes.

The reason for this is quite simple. Leather is fibrous with millions of tiny air spaces, which inhale and exhale at every step, allowing your feet really to breathe.

As a consequence your feet are much warmer in winter and cooler in summer. Just plain, common-sense would tell you that.

For the sake of foot health and foot comfort, walk on leather.

Nothing takes the place of
LEATHER

AMERICAN LEATHER PRODUCERS, Inc.
ONE MADISON AVENUE NEW YORK CITY



THERE is no substitute for leather . . . nothing has ever been found to take its place.

Remember that leather is porous . . . it lets your feet breathe . . . and it doesn't hold heat.

Better stick to leather. You'll look better, feel better and be better.

Exhibit 1: Magazine advertisement used by American Leather Producers, Inc.

The advertising agency retained by the American Leather Producers, Inc., recommended that, inasmuch as the campaign was to be of a general educational nature, the greater proportion of the fund be spent in general, women's, sport, and agricultural magazines of national circulation. It recommended and executed a schedule that called for full- and half-page black and white advertisements together with a few double spreads and color advertisements inserted at monthly intervals from July, 1923, to March, 1924, in 38 magazines. The campaign opened with a double-page announcement of a prize contest which offered \$2,000 for the best letter on the subject of leather; additional prizes amounted to \$5,000. The contest was open to everyone.

The copy for these advertisements was based upon the belief of the manufacturers that leather was longer wearing and more healthful for the feet than any substitute. The slogan "Nothing takes the place of leather" was adopted for use throughout the campaign. Two of the advertisements used are reproduced in Exhibits 1 and 2.

In March, 1924, the American Leather Producers, Inc., decided to discontinue its schedule of magazine advertising and to place the majority of its consumer advertising in newspapers in several of the leading cities in the United States. The cost of magazine advertising was considered excessive in view of the funds available. Furthermore, reports from several sources indicated that the competition from substitute soles was not evenly distributed throughout the United States, but instead was concentrated in the large industrial centers where price was a particularly important factor in the sale of shoes. Consequently, the schedule as revised for the year July, 1924, to July, 1925, and extended until July, 1926, called for the insertion at irregular intervals of 590 full- and half-page advertisements in 37 newspapers in 19 of the larger industrial cities in the United States. A typical advertisement which appeared in these newspapers was as follows:

AMERICAN PEOPLE DON'T LIKE SUBSTITUTES FOR ANYTHING

A substitute for a person or a product is always a compromise. Too often, in attempting to represent the genuine, it is obviously only a counterfeit.



The only thing

*you wear that can't
be imitated*

LEATHER is the exception. No one has ever found a substitute for leather. Various composition or synthetic materials have been tried for shoe soles but proved to be unsatisfactory. They have unavoidable characteristics that leather has *not*.
 Leather won't burn the feet in summer or feel cold in winter.
 Leather is light in weight and won't spread or pull the shoe out of shape.

Leather won't leave black marks on floors. Nor will it slip on damp pavements. Leather allows the feet to breathe; it naturally has millions of tiny pores which ventilate the shoe.
 There is nothing to equal genuine American tanned sole leather.
 Since the dawn of civilization it has been the only proper foot covering for man. It cannot be copied—there is no substitute for leather.

Nothing takes the place of

LEATHER

AMERICAN LEATHER PRODUCERS, INC., ONE MADISON AVENUE, NEW YORK CITY

Exhibit 2: Magazine advertisement used by American Leather Producers, Inc.

Substitutes for leather soles reached their highest point during the war. Some civilians had to use them. The leather output was largely demanded for our fighting men.

Soldiers had to have the best. Their feet were important. They must be comfortable and be kept fit. A flat-footed army would be no good.

People have learned that a flat-footed citizenry is no better; that substitutes for leather soles bring penalties. Spreading, distorted feet not only are uncomfortable; they affect the general health. Hence, substitutes have naturally languished, and the genuine article—leather soles—has the call.

You look better, feel better and are better on leather* soles all the time.

AMERICAN SOLE AND BELTING LEATHER TANNERS, INC.

17 Battery Place, New York City

* Leather is fibrous with millions of tiny nostril-like air spaces which inhale and exhale with every step. This allows the feet to breathe. Air is also a non-conductor of heat, hence with leather soles your feet are cooler in summer and warmer in winter. The reverse is true with substitutes, as they are non-porous.

NOTHING TAKES THE PLACE OF LEATHER

One full-page black-and-white advertisement was also inserted at monthly intervals in the *Saturday Evening Post*. Additional advertising and promotional work was carried on among teachers, schools, and libraries.

In the latter half of 1926, the activities of the American Leather Producers, Inc., were curtailed. Inasmuch as there were on hand large stocks of hides to meet the current demand for sole leather and the prices of sole leather were depressed, the manufacturers who contributed to the fund for advertising had reduced the extent of their tanning operations.

The American Leather Producers, Inc., estimated that, during the period in which the advertising campaign had been carried on, the sales of substitute soles in the United States had been reduced from their war-time peak of 12% of the total sales of shoe soles in the United States to 7%. Prices of sole leather were, however, lower during this period than during the war.

COMMENTARY: In this case we find almost an entire industry combining to carry on a combative program against the inroads of a direct substitute for its product. The advertising and publicity carried on was strictly educational, its purpose being to convince consumers of the superiority of leather soles. The real issue in this case lies in the question of the force of the appeals that could be made and their likelihood of becoming effective in the face of any large price differential favoring composition soles.

The substitution of various compositions for leather soles gained impetus during the war period when leather stocks were low as compared with demand, with resultant high prices. A study of the production of leather and composition soles shows over a period of years a positive correlation between the price of leather and the number of substitute soles produced. When leather prices have been high, substitutes have come in; as leather prices have declined, production of substitute soles has declined.

The manufacturers of shoes, in the first instance, determine the extent to which they will use leather soles or substitute soles. They cannot, of course, ignore consumer preferences, for to do so would be folly. The history of leather prices and substitutes seems to show that there is a preference for leather soles on the part of consumers which is recognized by shoe manufacturers. For certain types of shoes, however, this preference is apparently insufficient to prevent the acceptance of substitutes when the price differential is great enough. Colonel H. S. Wonson, Chairman of the Hide Committee of the New England Shoe and Leather Association, at the annual meeting of that organization in Boston in April, 1929, stated that the slogan of the American Leather Producers might be changed to read: "Nothing takes the place of leather made from sole leather hides at 16 cents a pound or less." Moreover, it must be recognized that the substitute soles have found favor for certain types of shoes; for example, sport shoes with rubber soles and heels have been increasingly in demand among certain consumers. The extent to which substitutes have been able to gain a foothold, then, appears to depend upon two things: (1) their suitability on different types of shoes; (2) the relative price of leather soles and substitute soles.

The issue, then, as stated above, is whether the leather producers, through advertising and publicity, could heighten an appreciation of leather soles which would tend to overcome to some extent the acceptance of substitutes in spite of price differences.

It appears to me that the chief weakness of the program which was undertaken lay in the questionable effectiveness of the copy approach used. The leather sole producers appeared to be on the defensive, and to appear on the defensive is always questionable

strategy. Moreover, in the copy appear quasi-scientific statements which do not ring true. At the best, an educational program of this type has a difficult job in making itself pay; advertising must seize the consumer interest and appear credible and convincing. More dramatic and vital copy would have increased the effectiveness of the advertising. I question whether the message as portrayed really took hold with the consumer public.

As is so frequently the case in advertising, it appears impossible to draw definite conclusions concerning the actual accomplishments of the campaign. Whether the reduction of substitutes noted in the last paragraph of the case came as a result of the campaign or as a result of the relatively better price position of leather soles can only be surmised. The subsequent history of production of substitute soles indicates that the campaign was not highly effective. During 1927 and 1928, when leather prices were high, composition sole production increased. Lack of control by tanners over wide fluctuation in the price of sole leather was an important factor operating against chances of success of the advertising. High prices of sole leather at various times would entail a resistance hard for advertising to overcome.

October, 1930

N. H. B.

TIRE MANUFACTURERS' DIVISION OF THE RUBBER
ASSOCIATION OF AMERICA, INC., AND THE
RUBBER INSTITUTE, INC.

TRADE ASSOCIATION—TIRES

COOPERATIVE ADVERTISING—*To Secure Consumer and Retailer Acceptance of Guaranty Removal.* On January 1, 1922, an association of tire manufacturers announced the discontinuance by its members of the mileage guaranty, which because of improved manufacturing processes was no longer considered necessary. In place of the mileage guaranty the association adopted a standard warranty. To combat the apparently inevitable antagonistic public reaction to such a change, the association undertook the education both of consumers and of tire retailers in the reasons for and advantages of the change in policy, by means of a publicity campaign in the form of general magazine advertising, letters and posters sent to dealers, and booklets for public distribution. When the problem of a mileage guaranty again occurred in 1928, as a result of its use by large mail-order houses selling tires, the association again used a similar campaign to prevent its members from adopting a guaranty, by securing consumer and retailer support for its standard warranty.

(1922-1928)

In the fall of 1923, the tire manufacturers of the United States, organized as the Rubber Association of America, Inc., conducted a series of advertisements in the *Saturday Evening Post*, aiming to secure public acceptance of the removal of mileage guaranties on tires. During the subsequent period up to the summer of 1928, posters and direct mail were used to influence tire retailers respecting the revised guaranties, and booklets were used to educate consumers in the proper care of tires. With the revival of the mileage guaranty problem in the summer of 1928, the newly formed Rubber Institute again faced the problem of the use of advertising to combat this form of competition.

None of the cooperative advertising of the tire industry aimed to promote sales. Its function was purely educational and, as such, was directed both to consumers and to retailers. No sales stimulus was necessary nor could it hope to hasten consumption, since the number of tires bought in any given period, assuming

average treatment by motorists, depended purely on the number of automobiles in service and the extent to which they were driven. The two main objectives of the industry's advertising activities from their inception in 1922 were the abolishment, without public antagonism, of mileage guaranties and the elimination of abuse of tires by consumers. The realization of the latter objective was in fact calculated to prolong the life of tires and thereby to restrict the replacement market. At the same time, it was considered advantageous to the tire manufacturers on the score of public approbation and reduced loss through adjustments.

The first organization of the rubber interests in the United States was formed at Boston in 1900 under the name of the New England Rubber Club. Recognizing the expansion of rubber manufacturing into other parts of the country which occurred during the following years, the club was incorporated in 1909 under Massachusetts laws as the Rubber Club of America. Although the group activities of both these organizations were very largely social in nature, some effort was made between 1909 and the outbreak of the World War to coordinate and improve industrial practices.

With the beginning of hostilities in 1914 the functions of the Rubber Club of America assumed added significance. The British, who largely controlled the supply of raw rubber, were content to supply the industry in the United States as usual. They were willing, however, to permit the importation of rubber into the United States only upon condition that none of the product would thereafter be resold for the use of the Central Powers. It was at first attempted to regulate the import of rubber into the United States through the British embassy at Washington, but the amount of detail involved proved burdensome. The responsibility was thereupon placed on the Rubber Club of America, which operated under the close supervision of the British diplomatic offices.

In 1915 the club was reincorporated under Connecticut laws, and in 1917 in recognition of its expanded functions the name was changed to the Rubber Association of America, Inc. Following the entrance of the United States into the war in 1917, the Federal Government employed the Rubber Association as a cog in the organization devised for the operation of the industries of the country under industrial mobilization.

The two years following the armistice saw the Association relieved of its extraordinary war-time duties. They witnessed also the tremendous disturbance to business in general, the crisis of 1920, in which the rubber industry shared. During this time, however, either the problem relating to mileage guaranties was not deemed serious, or else a considerable degree of apathy existed among the manufacturers of tires. At any rate, it was only after urging on the part of the Association's staff that the Tire Manufacturers' Division in 1921 announced the discontinuance of the mileage guaranty on and after January 1, 1922.

The producers of tires constituted only one section of the Rubber Association. After the expansion in the scope of Association activities between 1922 and 1928, there were in the latter year 12 divisions, each relating to the manufacture of a specific type of rubber product. These were as follows:

Tires.....	51	members
Mechanical Rubber Goods.....	20	"
Rubber Flooring.....	9	"
Rubber Sundries.....	28	"
Rubber Heels and Soles.....	14	"
Rubber Reclaimers.....	13	"
Automobile Fabric.....	10	"
Rubber Proofers.....	17	"
Rubber Clothing.....	9	"
Hard Rubber.....	8	"
Footwear.....	12	"
Foreign Trade Division.....	61	"

A large part of the work of the Association was carried on by committees comprised of representatives in the various divisions, thus allowing the maintenance of a relatively small central organization.

In point of tire production the membership of the Association in 1928 represented between 75% and 80% of the industry. One of the large tire companies was not enrolled, although it did belong to the Rubber Institute. The Association was supported by a regular annual membership fee of \$50 and by an assessment levied upon its members as a percentage of their purchases of crude rubber. This assessment was collected and remitted to the Association monthly by sellers of crude rubber, who added a stipulated amount per hundred pounds to the market price in all transactions with members. The Association's activities were diverse, dealing with standardization and specifications for the various products, collation and publishing of statistics, educational

work with consumers and dealers both in the United States and in foreign countries, and relations with the legislative and executive departments of the Federal Government.

1922 to 1928

In the early years of the tire industry, methods of construction were not sufficiently perfected to produce a tire of definitely predictable reliability. Not only did tires in general fall short of present-day standards, but variation in quality between tires of the same producer was marked. The practice consequently grew up among tire manufacturers of guaranteeing their product to serve consumers for a definite number of miles of travel, and adjustments for tires which failed to furnish the guaranteed mileage were made on that basis. But as the industry progressed manufacturing processes improved rapidly. Tires ran longer before replacement was necessary, they gave less trouble from punctures and blowouts during their service life, and the tires of the individual manufacturers were made almost completely uniform as to quality and service.

Meanwhile abuses had crept into the operation of the mileage guaranty. Much of the deterioration which was experienced in the running of tires owed its origin not to the way in which they had been manufactured, but rather to the failure of the user to accord them proper care. Inadequate inflation, fast driving over rough roads, running in ruts, and against curbs, and faulty mounting and dismounting were considered to account for the majority of tire failures. Those users, furthermore, who took undue advantage of the terms of the mileage guaranty, particularly those who had few scruples as to underrating the number of miles the tire had been driven, secured all the benefits at the expense of those owners who either took good care of their tires or who told the truth when adjustments were to be made. Such adjustments had become so numerous that their expense proved a serious burden for the tire manufacturers.

In recognition of these conditions the Tire Manufacturers' Division of the Rubber Association announced late in 1921 that the mileage guaranty was to be removed from all tires produced by its members and that adjustments thereafter were to be based only on defects in material or workmanship. It appeared inevitable that public reaction to such a statement of policy

would be antagonistic, and the tire manufacturers proceeded to combat such an attitude with education both of consumers and of tire retailers. The Association initiated its efforts in this direction with the distribution to 128,000 tire dealers of a poster which presented the standard warranty as adopted by the manufacturers and a statement of the reasons which had prompted a change in policy. It was emphasized that the warranty not only benefited the manufacturers and distributors of tires, but also was more equitable to the consumer than had been the previous mileage guaranty.

To back up this first publicity and to make an effort at reducing the number of adjustments, the Association mailed for display by the same dealers a second poster illustrating the main abuses to which tires were subjected and informing consumers of the means by which they could be avoided. The desirability of proper care for tires was emphasized in this poster by a statement of the limitations within which tires were guaranteed by their makers. A booklet, incorporating the subject matter of the second poster and adding photographs of the damaging results of the various forms of tire abuse, was also sent to tire retailers for distribution to the public and to certain automobile manufacturers for inclusion with new cars.

The effect of these educational measures served largely to circumvent adverse public sentiment concerning the removal of the mileage guaranty and to convince the dealer of the advantage in selling a new tire rather than a replacement. The tire manufacturers, however, not completely assured that their objectives had been attained, decided to use magazine advertising as an additional and, it was hoped, final means for the purpose.

Several of the advertising agencies which served individual tire manufacturers submitted examples of advertisements for such a program. The Association decided, however, that for the preparation of its copy an agency should be secured which did not carry a tire account. On this basis a New York firm was selected, and the advertising executives of five manufacturers were assigned to cooperate with it.

All the copy which had previously been submitted by the other advertising agencies sought to prove by statement and by statistics that the mileage guaranty had been not only ineffective, but expensive and unfair as well. The reader, in order to derive

Were you
driving in
1905 -
in 1915

If you were, you qualify for the Old Timers' experience contest. You may be one of the two motorists who will receive our \$500 checks under the following plan:



the complete import of the advertising, was forced to peruse long, argumentative copy. The Association's agency, on the other hand, acting on the theory that argumentative copy might invite a negative reaction and that it was apt to be uninteresting to readers, decided to laugh the public out of its objections with human and humorous copy.

The wide coverage of the *Saturday Evening Post* led to its selection as the sole medium for the campaign. The initial advertisement occupied a page in the issue of July 14, 1923, in the announcement of an Old Timers' Photographic Experience Contest. Under its terms a prize of \$500 in each of two classifications would be given for the best photographs of a tire change in the early years of the automobile, accompanied by a letter describing the contestant's subsequent experience with tires. The pictures in one classification were to have been taken in 1905 or earlier; those in the other, not later than 1915. The agency executive in charge of the account had been able to locate in his own collection three photographs of the desired type and assumed that others could be secured in sufficient number to give the contest widespread interest.

His three pictures were reproduced in the advertisement announcing the contest, shown here as Exhibit 1. Beside the picture used as the main illustration was inserted a sketch of a man and woman and their small daughter examining the contents of a photographic album. Their conversation ran as follows:

"Our honeymoon!"

"Look at mother—with that veil. And the patient look."

"Where are you, daddy?"

"See—fixing the tire."

"You, changing a tire!"

"Well—you know—back in those days—we all had to do it."

The copy itself was long, but the fact that it was written in conversational style and that it was published in connection with the contest was depended on to secure the active attention of readers. The copy read as follows:

WERE YOU DRIVING IN 1905—IN 1915?

If you were, you qualify for the Old Timers' experience contest. You may be one of the two motorists who will receive our \$500 checks under the following plan:—

\$500—to the old timer who was driving in 1905—or earlier, and will send us a photograph of himself making a roadside tire repair at that time, and who will submit the most interesting statement of his tire experiences since then.

\$500—to the old timer who was driving in 1915—or earlier, and will send us the same sort of picture as of that period, and a statement of his subsequent experiences.

We want those pictures and testimonials for a very particular and practical reason. We mean to publish them in this publication with the title—"In the Days of Mileage Guarantees," so that we will none of us forget what it was like in the grand old days of tire and motoring history, before we learned how to make tires that would outride any guarantee that sounded reasonable, and before we learned how to care for our tires in driving.

There are so many new drivers every year, literally millions of them, who don't know the meaning of tire trouble, that we old timers mean to save something of the flavor of those adventurous days when we were acutely tire-conscious every time we started on a trip. These new converts to the open road don't know what they are missing. When we get these old photographs, we will show them.

Why, today, they can drive up to almost any wayside tire dealer and buy a tire of standard make that will give them two or three times the mileage promised under the old guarantee. All because the last ten years have seen the perfection of tire-building methods until, today, three hundred ninety-nine tires out of every four hundred built are without defects of any sort. You can buy tires on their merit, now, and get a warranty with the tire that protects you against any possible defect, regardless of mileage.

So we want those pictures to keep the grave of Old Man Guarantee green. That is why the picture must be good—it must bring tears to the eyes.

It is worth a thousand dollars to us to get the real thing. Nothing faked up would serve, for your real picture, taken on the spot on that faroff day, will show the spirit of the occasion. Your cheerful acceptance of the job; you were hot and tired, but it was the expected thing in those days; happened to everyone; part of the new game of motor-ing; just your luck!

In contrast—today's picture—just a sheepish grin at being caught trying to stretch a home-run tire into a home run and a double. For tires nowadays last longer and roll farther than anyone ever dreamed was possible a few years ago. We have almost reached the point where an inherent defect in the tire is as unusual as a defect in the wheel to which it is attached.

The two hundred or more members of the Rubber Association believe that everyone knows what a modern tire will do—new drivers as well as old; but only the Old Timers appreciate the difference.

So get out your old album and find the prize portrait of yourself and your little old car. Mark the date and location on the back,

Think back Old Timers —think fast

YOUR PHOTOGRAPHIC EXPERIENCE CONTEST CLOSES SEPT. 1

If you were driving before 1905, or before 1915, you may be one of the two motorists who will receive our \$500 checks under the following plan:—



Get a horse!

\$500

—to the Old Timer who will send us a photograph of his old car, with a description of his experiences in it.

\$500

—to the Old Timer who will send us a photograph of his old car, with a description of his experiences in it.



(Photo by M. F. Smith)

Vanderbilt Cup Race 1909

The old Vanderbilt Cup Race was won by a car that was built in 1909. Today it is a rare sight to see one of these cars. The car that won the race was built in 1909. It was a Vanderbilt Cup Race car. It was a Vanderbilt Cup Race car. It was a Vanderbilt Cup Race car.



The Old Timer—1909

The Old Timer is a car that was built in 1909. It was a Vanderbilt Cup Race car. It was a Vanderbilt Cup Race car. It was a Vanderbilt Cup Race car.

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The Old Timer is a car that was built in 1909. It was a Vanderbilt Cup Race car. It was a Vanderbilt Cup Race car. It was a Vanderbilt Cup Race car.

The winners will be announced in the October 20th issue of this publication.



The Rubber Association of America is a non-profit organization. It is a non-profit organization. It is a non-profit organization.

Exhibit 2: Second advertisement in magazine campaign conducted by Rubber Association of America, Inc.

enclose your "experience" and mail, *before Sept. 1st.*, to the Rubber Association of America, 250 W. 57th St., New York, N. Y.

The second advertisement (Exhibit 2), which also utilized full-page space, appeared in the issue of August 18. It reminded readers that the photographic contest was to close on the first of September, and repeated the theme that the mileage guaranty along with tire trouble was a relic of the past. Since all the contest photographs had not yet been received, a wash drawing was used for the main illustration with the side caption "Get A Horse!" The drawing depicted an ancient automobile stopped along a country road with two women sitting in the back seat, a man beside the car pumping up an inner tube, with a horse in the adjacent field and an amused farmer serving as audience. Small type told the story.

See the man in the derby hat.
How industrious he is.
See the farmer with his fork.
How sympathetic he seems.
Is it not an amusing picture?
It is only an artist's dream of the past.
But the prize-winning photograph—the real thing—will bring
tears to the eyes.

Two other inset photographs had been secured showing tire trouble experienced in 1909 by automobiles entered in the Vanderbilt Cup Race and in the Glidden Tour.

The third page advertisement (Exhibit 3) appeared in the issue of September 15. It centered around a drawing which had been submitted by a contestant in place of a photograph. The drawing and accompanying letter were reproduced with the headline, "*This man deserves the \$500 Prize, but he can't win, because we said 'photo.'*" It was used as an intermediate piece of copy before the announcement of the contest winners on October 20.

For this announcement the layout occupied a double-page spread, reproduced here as Exhibit 4. The two prize-winning photographs occupied the centers of the two pages, and the background was completely filled in with small reproductions of other pictures selected from the hundreds which had been submitted. A note in small italics referring to one of the winning photographs reminded the reader that "The rear-entrance



Today you buy tires on their merits —

as you buy any standard article of wear.

as you buy any standard article of wear.

Today you buy tires on their merits —

as you buy any standard article of wear.

as you buy any standard article of wear.

Today you buy tires on their merits —

as you buy any standard article of wear.

as you buy any standard article of wear.

Exhibit 4: Magazine advertisement announcing winners of photographic contest conducted by Rubber Association of America, Inc.

tonneau, the interesting headgear, and the high price of tires are all relics of a pioneering day." This photograph had been taken in September, 1904. The other, dated August, 1907, was a close-up of a bearded gentleman in a protective suit of work clothes lacing up one of three tire boots upon which, his letter explained, he had been forced to depend for the completion of his journey between Brooklyn and Buffalo. Across the bottom of the spread appeared in the only large type of the advertisement: "Today you buy tires on their merits—as you buy any standard article of wear."

One other full-page advertisement followed this announcement of contest results, completing a series of five insertions totaling six pages, all in black and white and all in the *Saturday Evening Post*. The emblem of the Rubber Association of America appeared in the lower right-hand corner of each advertisement; beside it an offer was made of a free booklet, "The Care of Pneumatic Tires," to be secured by the reader either through the mail or from his tire dealer.

Reproductions of the advertisements were sent to tire retailers for display, and the cooperation of the dealer group was considered satisfactory by the campaign committee. At the conclusion of the five advertisements, the Association was confident that its position had been impressed both on retailers and on consumers, and there was relatively little grumbling thereafter from either group concerning the terms of the warranty. About \$50,000 was spent for this program of magazine advertising, all of it supplied from the funds of the Rubber Association.

Advertising, however, was not depended upon for the accomplishment of the entire objective. A committee of service managers of tire manufacturers was organized. It functioned continuously after 1923 in an endeavor to eliminate the detailed abuses inflicted on tires by the average motorist. Through the committee, 38 manufacturers reported annually the number of adjustments made for defective tires.

Some of the tire companies allowed the local retailer who made an adjustment merely to pass the injured tire on to the nearest manufacturer's branch. Others insisted that all such tires be returned to the factory, the object being to ascertain the defects with a view to future improvement in manufacturing processes, and also to reclaim the rubber in the casings.

The committee of service manufacturers worked together in formulating a schedule of tire abuses and the means by which they could be avoided. These were incorporated in the booklet offered in the magazine advertising on "The Care of Pneumatic Tires." The distribution of these booklets was continued through tire dealers after the close of the magazine advertising. Approximately 1,000,000 were distributed in the five-year period 1923-1927, and the annual figure reached 250,000 in 1928.

During those years approximately the same number of booklets explaining "The Care of Tires for Trucks and Busses" was disseminated to industrial users of that type of equipment. Such bus and truck manufacturers as cared to include this booklet with their machines were supplied with it. Those who did not thus distribute the booklets ordinarily issued instruction books of their own which explained the care of tires in more or less detail.

A third booklet entitled "Tire Care," briefer and less costly to print, was designed for distribution with every passenger car produced in the United States. In 1926, for the first time an agreement to this effect was secured from all automobile manufacturers. The majority, however, had lent their assistance in previous years. In 1928, 3,250,000 of these booklets were printed; in 1927, 2,500,000; and in previous years, a somewhat smaller number.

All the booklets, besides describing the results of specific tire abuses and informing users of methods of proper care, carried tables of inflation pressures and an explanation of the type of warranty which was in effect at the time. Distribution of the two complete booklets, "The Care of Pneumatic Tires" and "The Care of Tires for Trucks and Busses," was secured through individual tire manufacturers, who paid for them at cost, as well as through the other sources. The cost of all other material was borne by the Association treasury.

The result of the campaign of publicity concerning the standard tire warranty, which had consisted of letters to dealers, posters and reproductions of advertisements for display in their stores, magazine advertising to consumers, and the distribution of booklets, manifested itself in the declining number of adjustments which tire manufacturers were called on to make. Figures reflecting this general trend were not available, because the methods of computation had been changed periodically and because

the data had been compiled only for limited classifications and not for tires as a whole. It was known, however, that the decline had been substantial, and the Association was satisfied that its efforts at improvement had been well rewarded.

In 1924, the standard tire warranty, first placed in effect on January 1, 1922, was revised. Its place was taken by the "standard 90-day warranty" for pneumatic tires and the "standard 180-day warranty" for solid and cushion tires. The terms thus revised provided for adjustment on tires only if the defect in material or workmanship became manifest within 90 days or 180 days, depending upon the type, of the date on which the tire was first placed in service. The new provisions were designed to prevent abuse of the warranty by the purchaser who allowed a tire to deteriorate over a period before putting it on the wheel. The addition of the time restriction was considered reasonable on the ground that any injury for which the manufacturer might properly be held responsible would make its appearance within the three-month or six-month period.

The enforcement of the new provision proved somewhat lax in practice, since it was difficult to ascertain the exact time at which the use of a tire had begun and difficult also to determine a reasonable time during which it might be held as a spare or for other auxiliary purposes before actually being placed in service. Competition among tire manufacturers and retailers, as had proved to be the case with the original standard tire warranty, occasioned allowances in certain cases which were not permissible under the strict terms of the agreement. It was believed, nevertheless, that the time limit provided a further safeguard which was inherently desirable in spite of certain deviations in practical application.

The revised warranties were explained to retailers by letter in the same way as the original agreement had been, and posters incorporating their provisions were distributed. The dealers were also instructed concerning the interpretation of these warranties recommended by the Association. In addition, a series of six letters performed the same function in connection with the salesmen of the tire manufacturers.

In 1927, the influence of the tire care booklets was supplemented by two posters designed for display in the salesrooms of tire retailers and repair shops. A large one, approximately 22

by 34 inches, was headed "Main Causes of Tire Failures," and illustrated by pictures, as did the booklets, the effects on tires of severe and improper treatment. A smaller one, 17 by 22 inches, listed 50 automobiles of American manufacture together with proper inflation pressures for the front and rear balloon tires of each of their models. Both these posters were revised and reprinted in 1928, the smaller one then listing inflation pressures for the car models of that year, and it was anticipated that this means of publicity would be continued each year thereafter.

1928

The mileage guaranty on tires was practically a dead issue for the five years between 1923 and 1928. Toward the end of that period, however, it once more appeared as a serious problem for Association manufacturers. From 5% to 10% of the tires made in the United States were the product of manufacturers who were not affiliated with the industry's trade organizations and who were not, therefore, bound by its agreements. Some of these producers used mileage guaranties as an inducement for purchase, particularly on tires of low price. Competition on that basis, however, from so small a section of the industry had not seriously handicapped the Association manufacturers or their dealers. It was the rapid growth of chain stores and particularly the establishment of retail branches by the two large mail-order houses, Sears, Roebuck & Company and Montgomery Ward & Company, which compelled the Association once again to recognize the mileage guaranty as a problem. Notwithstanding the fact that the mail-order houses secured the tires which they sold in large measure from manufacturers who were Association members, they were powerful interests and could not be controlled like ordinary retail dealers. The mail-order houses stressed the mileage guaranty as a selling appeal, and many of them offered mounting service. Thus, when consumers could purchase such tires from their retail stores, the established tire retailers were faced with a difficult competitive situation.

Companies had been established which offered to insure tires against mishap for a price of approximately a dollar a year a tire. Hearsay placed the profit to such insurance companies as high as 80 cents on the dollar, and the Association believed that they were not generally reputable concerns. Tire retailers, nevertheless,

felt the need for combating the mileage guaranties of competitors and were in considerable number recommending the service to customers as a protection which carried beyond the terms of the standard warranty.

The clamor from retailers over the competition of the mail-order chains resulted in the establishment by one Association manufacturer of a 20,000 mile guaranty for his tire. Since the situation appeared likely to result in further solutions of the same kind, the tire industry determined to act.

The Rubber Institute was formed in June, 1928, to supplement the work of the Rubber Association of America. One large manufacturer had dropped his membership in the Association, but enrolled with the Institute. The functions of the two bodies were coordinated for harmonious conduct of the several types of work. The Association continued its effort at standardization of product and the collection and publishing of statistics. The Institute, with General Lincoln C. Andrews, former Assistant Secretary of the Treasury, as director, took over the marketing problems of the industry and contact with government departments.

The Institute was financed by an assessment on members of $\frac{1}{50}$ of 1% of their sales for the preceding year. The Institute membership in all classifications accounted for sales of rubber products amounting to \$1,200,000,000 a year. The tire manufacturers who belonged were responsible for 95% of the production in the United States.

To this organization was entrusted the responsibility for combating the revived competition of the mileage guaranty. On July 27, 1928, in a conference between the executives of the Institute and representatives of tire manufacturers it was decided to revise once again the terms of the tire warranty and to advertise the change to the public. The revision was actually only technical in nature, removing the force of the 90- and 180-day limitations and extending the protection against defects to those discovered at any time during the life of the tire. As a matter of fact, the time limitation in the previous warranty had held little practical significance in application. It was thought, nevertheless, that some positive statement was necessary to convince tire users that the warranty did not discriminate in favor of the manufacturers and to afford a counter-argument which might be used

against the mileage guaranty. The wording thus changed was as follows:

Every pneumatic tire of our manufacture bearing our name and serial number is warranted by us against defects in material and workmanship *during the life of the tire* to the extent that if any tire fails because of such defect, we will either repair the tire or make a reasonable allowance on the purchase of a new tire.

(Signed) The Tire Manufacturing Members of
The Rubber Institute, Inc.

It was planned to have the dealers receive posters concerning the new warranty and instructions concerning its objective, as had been the practice in connection with the two preceding warranties. The situation appeared too serious, however, for the Institute to rest its entire effort on that type of publicity, and national advertising was again discussed.

The Institute, having decided that advertising was essential, engaged the advertising agency which had conducted the magazine campaign in 1923. This agency, working with executives of the Institute and with five representatives of the sales departments of tire company members, worked out the details of the campaign. The appropriation had been set by the July 27 conference at \$415,000, and it was decided to place the major burden of the campaign attack on newspaper space. Within two weeks of the first meeting the copy had been prepared, insertions arranged, and the material designed for use and display by retailers printed and placed in the mails.

The newspaper campaign consisted of three pieces of copy inserted at weekly intervals on August 16, 23, and 30. More than 400 newspapers were used, their geographical distribution being determined on the basis of the distributing centers of member tire manufacturers. The papers were divided into three classes, depending upon their qualifications from an advertising standpoint. Three insertions were used in practically every newspaper regardless of classification, but the size of space varied as follows: full pages in Class A papers; 1,500 lines in those of Class B; and 1,000 lines in Class C.

As to copy approach, there appeared some disagreement among the manufacturers. One group wished to take issue with the existing practice of giving mileage guaranties. The majority, however, deemed it preferable to state only the terms and advan-

tages of the Institute's warranty. By this approach the tire industry could avoid giving further publicity to the selling appeal of competitors; it would not invite so serious a controversial reaction on the part of those who used mileage guaranties; and it would, finally, leave the way open for companies in the latter group to subscribe to the Institute's warranty, provided they could be persuaded that such action was to their benefit. The latter objective was considered important since the backing of the mail-order houses and similar distributors, in addition to that of the manufacturers already enrolled in the Institute, would give practically unanimous support to the standard warranty and thereby settle effectively the difficulties which mileage guaranties had brought to the industry.

At the top of the first advertisement appeared the revised warranty. Beneath it in headline type was the following statement:

The manufacturers listed below, who produce over 95% of the tires made in America, guarantee tires bearing their names and serial numbers against defects for the entire life of the tires.

(Signed) Lincoln C. Andrews

Director General, The Rubber Institute, Inc.

The copy proceeded:

Those familiar with tire history will remember the early experimental days when the only way a manufacturer could express his confidence in his product was by offering a definite mileage guarantee.

They will recall how, due to misuse, the definite figure inevitably was pushed beyond all sensible bounds.

As tires improved in quality the whole theory and practice of "definite mileage" commitments was pushed into the background and finally rejected by standard tire companies as unfair and uneconomical to the tire user.

It had proved itself to be fundamentally unsound.

Its abuse by unscrupulous drivers confronted the manufacturer with the alternatives of higher prices or lower quality to meet the added costs of unjustified allowances.

Perhaps its most unfair feature was that it benefited the driver who misused his tires and misrepresented his mileage at the cost of the honest and careful driver who did not abuse his tires.

Its passing was welcomed by trade and public alike because it had come to be used as an unfair sales inducement rather than as a protection for the buyer.

The industry then shifted from the costly advertising of mileage claim to the building of real mileage into the tires.

As a result, tire values have steadily improved, to the benefit of all users alike, although *prices are today the lowest in history.*

The prevailing practice of these manufacturers, who produce over 95% of the tires in the United States, is expressed by *the broadest standard tire guarantee* in the history of the industry.

The preceding sentences appeared in three columns across the page. Beneath them and in a single wide column followed the remainder of the copy:

The members of the Rubber Institute, Inc., listed below, warrant tires bearing their names and serial numbers to be free from all defects of material or workmanship.

This warranty is unlimited as to time or mileage, the manufacturer's responsibility continuing throughout the entire life of the tire.

In case of the failure of the tire due to defect, no matter how far or how long that tire has traveled, fair and equitable adjustment will be made by the manufacturer on the basis of the tire's normal expectancy of service had the defect not appeared.

It is the intent and purpose of this warranty to assure the buyer a quality product capable of satisfactory performance, the responsibility for which the manufacturer of the tire hereby assumes.

—a guarantee broader in its protection to the individual, yet fairer in its operation to all, than anything now or ever placed before the public.

At the bottom of the advertisement appeared the names of 45 tire manufacturers designated as members of the Rubber Institute, Inc.

In the second advertisement the standard warranty again appeared at the top of the page. The headline reiterated its fairness to consumers:

This broad warranty against tire defects, unlimited as to mileage or time, is the most constructive guarantee of service ever offered to the public.

The copy stressed the same points as that of the preceding advertisement, stating in part that:

. . . The era of the mileage guarantee came to an end when users realized that good tires are made of rubber and cotton—not printed promises. They discovered that "there are no miles in a bottle of ink" . . . They discovered that no mileage guarantee will extend the life of a tire to its utmost capacity—only good driving and care for your tires does that.

The third and last advertisement varied in three particulars from the others. It emphasized the fact that the standard

warranty was backed by the preponderant support of tire manufacturers; it gave more prominent presentation to the warranty itself; and it added a plea for the employment by motorists of the widespread local service of tire dealers. The headline ran:

Every pneumatic tire bearing these familiar names—*the roll-call of a great industry*—is guaranteed against defects in material and workmanship, without limit as to mileage or time.

Under the signature of Lincoln C. Andrews were explained the aims of the Rubber Institute, Inc.:

—an association of manufacturers organized “to promote in the industry a mutual confidence and a high standard of business ethics; to eliminate trade abuses; to promote sound economic business customs and practices; to foster a wholesome competition; . . . and thus generally to promote the service of the industry to the public welfare.”

The roster of members was prominently listed just below. The copy emphasized the unanimity with which tire manufacturers had subscribed to the provisions of the standard warranty. Beneath the reproduction of the warranty itself, in the lower left-hand quarter, the reader was asked to “look for this warranty at your local dealer’s service station.” Further appeal for patronage of established tire dealers both for the purchase of tires and for their constant care was couched in these words:

The Hundred Thousand Dealers widespread throughout the country, who handle the standard tires named above and who display this Warranty, add a further value to your purchase in the services they render locally for your immediate convenience.

- giving expert advice on proper size and type
- mounting and dismounting
- checking inflation
- checking wheel alignment
- maintaining repair service

By availing themselves of these expert facilities, car owners have secured maximum mileage from their tires. The workmanship of the tire-builder and the services of the tire dealer are thus linked together in support of the manufacturer’s Warranty.

No illustrations were used in the newspaper advertisements. White space in the layouts, however, provided desirable emphasis. Each advertisement contained a replica of the signature of

Lincoln C. Andrews in support of the statement used as headline. Each, furthermore, displayed the warranty and the list of tire manufacturing members of the Institute. In those newspapers from which less than full-page space had been purchased, the same layout was employed, but in reduced form.

The three newspaper advertisements are presented as Exhibits 5, 6, and 7.

The newspaper campaign was preceded by a thorough drive to inform retailers of the project. Two mailings were sent out to 125,000 dealers, the first during the week of August 16 and the second about 10 days later. In the first, the dealer was provided with a wall hanger approximately 21 by 28 inches, incorporating the wording of the warranty and with a "blow-up" or enlargement, 32 by 45 inches, of the first newspaper advertisement. These were included with the following letter over the signature of General Andrews:

To all tire dealers:

Here is your copy of the revised Standard Warranty on tires and tubes. It is all ready to be hung in your place of business.

Enclosed also is a large (double-size) reproduction of the advertisement which will appear in practically all of the leading newspapers in the country on and after August 16. There is a strip of gummed stickers with it which should be used to paste this big display on your front window.

We believe that this extensive advertising will help you materially in combating the mileage guarantees now being widely exploited.

This is perhaps the most widespread advertising campaign ever conducted by any association, reaching as it does over 60,000,000 people.

The campaign will consist of at least three large-space advertisements in newspapers of 408 cities, plus full pages in the *Saturday Evening Post*, *Country Gentleman*, and a large list of farm papers together with announcements in the leading trade papers.

This publicity should convince the public of the merits of the revised Standard Warranty and the willingness of the manufacturers to make good on any fault of theirs.

At the same time it is not the intention of any of these manufacturers to honor unjustified claims nor to take legitimate sales away from dealers by making unwarranted adjustments. They look to their dealers to carry out faithfully their intention.

This announcement will be a big news event everywhere. Cooperate with us by displaying prominently both the Warranty and this big reproduction of the first advertisement.

“EVERY PNEUMATIC TIRE OF OUR MANUFACTURE BEARING OUR NAME AND SERIAL NUMBER IS WARRANTED BY US AGAINST DEFECTS IN MATERIAL AND WORKMANSHIP DURING THE LIFE OF THE TIRE TO THE EXTENT THAT IF ANY TIRE FAILS BECAUSE OF SUCH DEFECT, WE WILL EITHER REPAIR THE TIRE OR MAKE A REASONABLE ALLOWANCE ON THE PURCHASE OF A NEW TIRE.”

The manufacturers listed below, who produce over 95% of the tires made in America, guarantee tires bearing their names and serial numbers against defects for the entire life of the tires

Amos E. Andrews
General Director, THE RUBBER INSTITUTE, Inc.

Those familiar with tire history will remember the early experimental days when the only way a manufacturer could express his confidence in his product was by offering a definite mileage guarantee.

They will recall how, due to misuse, the definite figure inevitably was pushed beyond all sensible bounds.

As tires improved in quality the whole theory and practice of “definite mileage” commitments was pushed into the background and finally rejected by standard tire companies as unfair and uneconomical to the tire-user.

It had proved itself to be fundamentally unsound.

Its abuse by unscrupulous drivers confronted the manufacturer with the alternatives of higher prices or lower quality to meet the added costs of unjustified allowances.

Perhaps its most unfair feature was that it benefited the driver who misused his tires and misrepresented his mileage at the cost of the honest and careful driver who did not abuse his tires.

Its passing was welcomed by trade and public alike because it had come to be

used as an unfair sales inducement rather than as a protection for the buyer.

The industry then shifted from the costly advertising of mileage claims to the building of real mileage into the tires.

As a result, tire values have steadily improved, to the benefit of all users alike, although prices are today the lowest in history.

The prevailing practice of these manufacturers, who produce over 95% of the tires in the United States, is expressed by the broadest standard tire guarantee in the history of the industry.

The members of the Rubber Institute, Inc., listed below, warrant tires bearing their names and serial numbers to be free from all defects of material or workmanship.

This warranty is unlimited as to time or mileage, the manufacturer's responsibility continuing throughout the entire life of the tire.

In case of the failure of the tire due to defect, no matter how far or how long that tire has traveled, fair and equitable adjustment will be made by the manufacturer on the basis of the tire's normal expectancy of service had the defect not appeared.

It is the intent and purpose of this warranty to assure the buyer a quality product capable of satisfactory performance, the responsibility for which the manufacturer of the tire hereby assumes.

—a guarantee broader in its protection to the individual, yet fairer in its operation to all, than anything now or ever placed before the public.

AJAX RUBBER COMPANY, INC.
THE BADGER RUBBER WORKS
THE BRUNSWICK TIRE CORP.
THE COLUMBUS TIRE & RUBBER CO.
THE COOPER CORPORATION
THE CORD TIRE CORPORATION
CORDUROY TIRE COMPANY OF MICHIGAN
THE DENMAN CORD TIRE CO.
THE DIAMOND RUBBER CO., INC.
DUNLOP TIRE & RUBBER CO.
EMPIRE TIRE & RUBBER CORP. OF N. J.
THE FALLS RUBBER COMPANY, INC.

THE FEDERAL RUBBER CO.
FIDELITY TIRE & RUBBER CO.
PIRESTONE TIRE & RUBBER CO.
THE FISK RUBBER COMPANY, INC.
G & J. TIRE CO.
THE GENERAL TIRE & RUBBER CO.
THE GIANT TIRE & RUBBER COMPANY
THE B. F. GOODRICH COMPANY
THE GOODYEAR TIRE & RUBBER CO.
HAMILTON RUBBER MFG. COMPANY
HARTFORD RUBBER WORKS CO.

HOOD RUBBER COMPANY
INDIA TIRE & RUBBER COMPANY
KELLY-SPRINGFIELD TIRE COMPANY
LAMBERT TIRE & RUBBER CO.
LEVIATHAN TIRE & RUBBER CO.
THE MANSFIELD TIRE & RUBBER CO.
MARATHON RUBBER CO., INC.
McCLAREN RUBBER CO.
MICHELIN TIRE COMPANY
THE MILLER RUBBER COMPANY
THE MOHAWK RUBBER COMPANY

MONARCH, THE HARTVILLE RUBBER CO.
MURRAY RUBBER COMPANY
THE NORTHERN RUBBER COMPANY
THE NORWALK TIRE & RUBBER CO.
OVERMAN CUSHION TIRE CO., INC.
REVERE RUBBER CO.
THE SALEM RUBBER COMPANY
SAMSON TIRE & RUBBER CORP.
THE SEIBERLING RUBBER COMPANY
STANDARD FOUR TIRE COMPANY
UNITED STATES RUBBER COMPANY

Members of THE RUBBER INSTITUTE, Incorporated

Exhibit 5: Newspaper advertisement used by Rubber Institute, Inc.

STANDARD WARRANTY FOR PNEUMATIC CASINGS AND TUBES

"Every pneumatic tire of our manufacture bearing our name and serial number is warranted by us against defects in material and workmanship during the life of the tire to the extent that if any tire fails because of such defect, we will either repair the tire or make a reasonable allowance on the purchase of a new tire."

THIS broad warranty against tire defects, unlimited as to mileage or time, is the most constructive guarantee of service ever offered the public.

Amos E. Andrews
Director General, THE RUBBER INSTITUTE, Inc.

THE tire industry has taken great steps forward in the past decade.

Tire quality has been improved immeasurably; tire prices have been reduced to the lowest levels in history.

And now the industry has taken another great forward step.

The manufacturers of 95% of the tires made in the United States guarantee tires bearing their names and serial numbers against defects for the life of the tire.

What an improvement this is over the old days of the now out-worn "definite mileage guarantee"

The era of the mileage guarantee came to an end when users realized that good tires are made of rubber and cotton—not printed promises.

They discovered that "there are no miles in a bottle of ink"

They discovered that you cannot put mileage into tires by written guarantees—it must be built in. No mileage guarantee will hold the tread to the carcass—

nothing but craftsmanship does that.

They discovered that no mileage guarantee will roughen the rubber or strengthen the cotton cord—only the know-how of experienced tire builders does that.

They discovered that no mileage guarantee will extend the life of a tire to its utmost capacity—only good driving and care for your tires does that

On the other hand, car owners found that the definite mileage guarantee had these failings—

- 1 It benefited the driver who misused his tires and misrepresented his mileage, at the cost of the honest and careful driver who did not abuse his tires, and who was truthful in stating his mileage, or honest in admitting he did not know his mileage
- 2 It put a premium upon heedless driving by removing the penalty for traveling with tires under-inflated or wheels out of line.
- 3 Its cost was a buried expense that bore on the user of the tires without adding any commensurate value.

The first year following the elimination of the definite mileage guarantee, over thirteen million dollars was saved by doing away with adjustments against neglect and abuse of the careless driver, and was put back into the product for the benefit of all drivers alike.

The industry simply converted non-productive cost into good sound rubber and cotton. Every user benefited equally; tire prices came down; tire quality went up. Today the American tire user is enjoying the lowest-cost tire miles in the history of the world.

The high quality of present day tires has made possible the prevailing standard tire warranty, extending over the life of the tire—the broadest and most constructive guarantee of service that can be written—a declaration that enables the manufacturers of over 95% of the production in the country to stand squarely behind the quality and serviceability of their products, as they wish to stand

AJAX RUBBER COMPANY, INC.
THE BADGER RUBBER WORKS
THE BRINSWICK TIRE CORP.
THE COLUMBUS TIRE & RUBBER CO.
THE COOPER CORPORATION
CORDUROY TIRE COMPANY OF MICHIGAN
THE DENMAN CORD TIRE CO.
THE DIAMOND RUBBER CO., INC.
DUNLOP TIRE & RUBBER CO.
EMPIRE TIRE & RUBBER CORP. OF N. J.
THE FALLS RUBBER COMPANY, INC.
THE FEDERAL RUBBER CO.
FIDELITY TIRE & RUBBER CO.
PIRESTONE TIRE & RUBBER CO.
THE FISK RUBBER COMPANY, INC.

G & J TIRE CO.
THE GENERAL TIRE & RUBBER CO.
THE GIANT TIRE & RUBBER CO.
THE B. F. GOODRICH COMPANY
THE GOODYEAR TIRE & RUBBER CO.
HAMILTON RUBBER MFG. COMPANY
HARTFORD RUBBER WORKS CO.
HOOD RUBBER COMPANY
INDIA TIRE & RUBBER COMPANY
KELLY-SPRINGFIELD TIRE COMPANY
LAMBERT TIRE & RUBBER CO.
LEVIATHAN TIRE & RUBBER CO.
THE M. & M. MFG. CO.
THE MANSFIELD TIRE & RUBBER CO.
MARATHON RUBBER CO., INC.

McLAREN RUBBER CO.
MICHELIN TIRE COMPANY
THE MILLER RUBBER COMPANY
THE MOHAWK RUBBER COMPANY
MONARCH, THE HARTVILLE RUBBER CO.
MURRAY RUBBER COMPANY
THE NORTHERN RUBBER COMPANY
THE NORWALK TIRE & RUBBER CO.
OVERMAN CUSHION TIRE CO., INC.
RIVER RUBBER CO.
SAMSON TIRE & RUBBER CORP.
THE SEIBERLING RUBBER COMPANY
STANDARD FOUR TIRE COMPANY
UNITED STATES RUBBER COMPANY

Members of THE RUBBER INSTITUTE, Incorporated

Every pneumatic tire bearing these familiar names
—the roll-call of a great industry—is guaranteed
against defects in material and workmanship,
without limit as to mileage or time.

Ajax	Falls			
Badger	Federal			
Belmore	Fidelity	Hood		
Brunswick	Firestone	India	Michelin	Racine
Columbus	Fisk	Kelly-Springfield	Miller	Revere
Cooper	G. & J.	Lambert	Mohawk	Samson
Corduroy	General	Lee	Monarch	Seiberling
Denman	Giant	Leviathan	Murray	Standard Four
Diamond	Goodrich	Mansfield	Northern	United States
Dunlop	Goodyear	Marathon	Norwalk	Victor
Empire	Hartford	McClaren	Overman	Viking

Imperial Indemnity

Director General of THE RUBBER INSTITUTE, Inc.
—an association of manufacturers organized "to promote in the industry a mutual confidence and a high standard of business ethics, to eliminate trade abuses, to promote sound economic business customs and practices; to foster wholesome competition, . . . and thus generally to promote the service of the industry to the public welfare."

Standard Warranty
for Pneumatic Casings
and Tubes

"Every pneumatic tire of our manufacture bearing our name and serial number is warranted by us against defects in material and workmanship during the life of the tire to the extent that if any tire fails because of such defect, we will either repair the tire or make a reasonable allowance on the purchase of a new tire."

The Tire Manufacturing Members of
The RUBBER INSTITUTE, Inc.

Look for this Warranty at your local dealer's service station.

WIDESPREAD LOCAL SERVICE

THE HUNDRED THOUSAND DEALERS widespread throughout the country who handle the standard tires named above and who display this warranty, add a further value to your purchase in the services they render locally for your immediate convenience . . .

- giving expert advice on proper size and type
- mounting and dismounting
- checking inflation
- checking wheel alignment
- maintaining repair service

By availing themselves of these expert facilities, car owners have secured maximum mileage from their tires. The workmanship of the tire-builder and the services of the tire dealer are thus linked together in support of the manufacturer's warranty.

THIS announcement, issued simultaneously in all parts of the country on August 16, met with an instant response from car owners and tire merchants alike.

No man who reads this will have failed to see similar announcements in the windows of tire stores—copies of the warranty displayed on dealers' walls—newspaper advertisements by individual manufacturers and by dealers confirming the policy.

For it is the voice of the industry, representing the producers of over 95% of the tires made in America.

It is the acceptance of full responsibility for the merit of their product by manufacturers who have learned that real quality means more to their customers than definite mileage guarantees.

Years ago these standard manufacturers discontinued the outworn practice of guaranteeing a definite number of miles in order to sell their tires.

As a selling inducement the so-called "mileage guarantee" was inevitably pushed beyond all reasonable bounds. It resulted in unjustified allowances to the unscrupulous driver who abused his tires and misrepresented his mileage, thus penalizing the careful driver who took care of his tires and was honest in his claims.

With its passing, all tire users felt the benefit at once in lower tire costs. Today you pay less for tires than ever before in history.

Few, if any commodities, show so steady a reduction in prices.

The art of tire building has improved as well, until the casing and tube you buy today can be counted on to carry you more miles than was thought possible even so short a time as five years ago.

The unlimited guarantee of quality is the natural outcome, the warranty against defects for the life of the tire is a final expression of the manufacturer's confidence in his product—

—a guarantee broader in its protection to the individual yet fairer in its operation to all than anything ever offered to the car-owning public.

Exhibit 7: Newspaper advertisement used by Rubber Institute, Inc.

The second mailing enclosed poster enlargements of the second and third newspaper advertisements. The accompanying letter requested that these be displayed in coordination with the newspaper schedule.¹

Thirty thousand additional posters and window hangers were furnished to individual tire manufacturers for display in their branches or for distribution to such dealers as had not been included in the Institute's list.

Consumer advertising supplementary to that in the newspapers appeared in the *Saturday Evening Post* on September 15, September 29, and October 20. It was believed that the newspaper campaign had accomplished the Institute's purpose as far as acquainting tire dealers with the terms of the new warranty was concerned. The same confidence was not held, however, respecting its acceptance by consumers. The advertisements in the *Saturday Evening Post*, therefore, were designed both to influence consumers in outlying districts which the newspapers had failed to reach and to provide, through reiteration, against such lack of familiarity on the part of consumers as had resulted from their failure to read the newspaper advertisements.

The copy in the *Saturday Evening Post* corresponded closely with that used in the newspapers. The first two advertisements, in fact, were identical, with the exception of contraction in the layouts to fit the smaller page size. The third was newly designed, though incorporating similar appeals. It stressed the service which tire dealers could render, with short paragraphs and small sketches concerning mounting and dismounting, checking inflation, checking wheel alignment, and expert tire repair. The headline stated: "On August 16th tire manufacturers extended the former warranty against defects to cover the life of the tire; your dealer's service will extend *tire life* to the *maximum mileage*." This advertisement appears as Exhibit 8.

Since the farm market for tires was believed to be particularly familiar with the terms of the mail-order mileage guaranty, further advertising pressure was exerted on that group.

¹ In the Akron post office from which the dealer material was sent, it was reported as the largest single mailing with which the authorities had been confronted. It was stated that the 250,000 pieces of mail required 9,000 mail sacks and filled 9 mail cars.

ON August 16th tire manufacturers extended the former warranty against defects to cover the life of the tire; your dealer's service will extend *tire life* to the *maximum mileage*.

THE revised Standard Warranty, supported by the manufacturers of over 95% of the tires produced in America, guarantees to the careful driver maximum mileage and greatest economy. The more care you give your tires, the longer will be their life.

The manufacturers place no limit on their responsibility for defects. The nation wide network of dealers who handle these tires adds a further value to your purchase in the services they render locally for your immediate convenience.

Mounting and Dismounting

Thousands of tire miles are wasted because tires are not applied properly.



Rims must run true or treads are ground off fast. Your dealer adds to tire mileage and eliminates tire troubles by correct application. Tire changing is a hard job at best; the expert service of your dealer is both a convenience and a safeguard.

Standard Warranty for Pneumatic Casings and Tubes

"Every pneumatic tire of our manufacture bearing our name and serial number is warranted by us against defects in material and workmanship during the life of the tire to the extent that if any tire fails because of such defect, we will either repair the tire or make a reasonable allowance on the purchase of a new tire."

THE RUBBER INSTITUTE, INC.

Checking Inflation

Too low inflation in balloon tires causes rapid tire wear and deterioration.

Too high inflation subjects the tire to undue punishment and possible damage.



Your dealer knows the right pressure for each size of tire.

Use the service of inflation frequently to prolong tire life.

Checking Wheel Alignment

When out of line cause rapid tread wear. Excessive wear on one side of the tire indicates wheel misalignment. The experienced dealer is equipped to test for this condition and to recommend the remedy for it.



Maintaining Repair Service

Expert repair shops in every community are responsible in part for long mileage records as well as for the economy and comfort of your car.



The workmanship of the tire builder and the services of the tire dealer are thus linked together in support of the manufacturer's warranty.

Ajax	Diamond	G. A. J.	Kelly-Springfield	Miller	Republic
Badger	Dunlop	General	Lambert	Mohawk	Revere
Belmore	Empire	Giant	Lee	Monarch	Richland
Brunswick	Falls	Goodrich	Leviathan	Murray	Samson
Columbus	Federal	Goodyear	Mansfield	Northern	Seiberling
Cooper	Fidelity	Hartford	Marathon	Norwalk	Standard Four
Corduroy	Firestone	Hood	McClaren	Overman	United States
Denman	Flak	India	Michelin	Racine	Victor-Springfield
					Wiking

THE RUBBER INSTITUTE, INC.

Exhibit 8: Advertisement used in *Saturday Evening Post* by Rubber Institute, Inc.

The schedule in farm papers was as follows:

Country Gentleman.....	October, November, December
Capper's Farmer.....	" " "
Indiana Farmer's Guide.....	August 25, September 8 and 22
American Agriculturist (New York)	Standard Farm Unit..... September 1, 15, and 29
Ohio Farmer	
The Farmer (Minnesota)	
Kansas Farmer (Mail and Breeze)	
Michigan Farmer	
Missouri Ruralist	
Nebraska Farmer	
Pennsylvania Farmer	
Prairie Farmer (Illinois)	
Progressive Farmer (Alabama)	
Wallace's Farmer (Iowa)	
Wisconsin Agriculturist	

The copy varied little from other consumer advertisements. One of the insertions in the *Country Gentleman* is presented as Exhibit 9.

The advertising to consumers was completed with the program in newspapers, farm papers, and the *Saturday Evening Post*, together with the posters displayed by tire dealers. To dealers the campaign of newspaper advertising and direct-mail letters and posters was supplemented by the following schedule of insertions in trade papers:

Automobile Topics.....	August 25	September 29	
Automobile Trade Journal			October
Automotive Daily News.....	August 16	September 28	
India Rubber and Tire Review	August ..	September ..	October
India Rubber World.....		September ..	October
Motor.....			October
Rubber Age.....		September 10	October 10
Southern Auto Dealer.....			October .. November
Tire Topics.....			October
Tiredom.....	August ..	September ..	October
Tires.....	August ..	September ..	October
Western Tire Dealer.....			October .. November

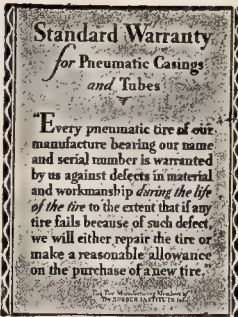
In general, two pages facing were used in the trade papers, only three or four of the advertisements appearing in single-page space. In the copy an effort was made to convince dealers that the new warranty and the effective manner in which it had been presented to the public provided them with a valuable marketing tool and that its ultimate worth depended on their attitude toward it. The Institute was of the opinion that, if independent tire dealers were to maintain their economic position against the

Calling the roll of a great industry

committed to a constructive guarantee of quality
—and enlisting the services of a hundred thousand
dealers for the benefit of tire users.

Immanuel C. Andrews
Director General, THE RUBBER INSTITUTE, Inc.

—an association of manufacturers organized "to promote
in the industry a mutual confidence and a high standard
of business ethics, to eliminate trade abuses, to promote
sound economic business customs and practices, to foster
wholesome competition and thus generally to promote
the service of the industry to public welfare."



Look for this Warranty at your
local dealer's service station

HERE is the voice of the industry, representing the producers of over 95% of the tires made in America.

Here is the acceptance of full responsibility for the merit of their product by manufacturers who have learned that *real quality and good service* mean more to the tire user than definite mileage guarantees.

Pneumatic tires carrying these familiar names are warranted against defects for life; your dealer's service will translate "tire life" into "long mileage."



Mounting and Dismounting

Thousands of tire miles are wasted because tires are not applied properly. Rims must run true or treads are ground off fast.

Your dealer adds to tire mileage and eliminates tire troubles by correct application. Tire changing is a hard job at best; the expert service of your dealer is both a convenience and a safeguard.



Checking Wheel Alignment

Wheels out of line cause rapid tread wear. Few drivers are conscious of this fault when it exists. The experienced dealer is

equipped to test for this condition and to recommend the remedy for it.



Checking Inflation

Too low inflation in balloon tires causes rapid tire wear and deterioration. Too high inflation subjects the tire to undue

punishment and possible damage. Your dealer knows the right pressure for each size of tire. Use his service of inflation frequently to prolong tire life.



Maintaining Repair Service

Expert repair shops in every community are responsible, in part, for long mileage records, as well as for the economy and comfort of present day motoring.

*The workmanship of the tire builder and the services of the tire dealer
are thus linked together in support of the manufacturer's warranty.*

Ajax
Badger
Belmore
Brunswick
Columbus
Cooper
Corduroy
Denman
Diamond
Dunlop
Empire
Falls
Federal
Fidelity
Firestone
Fisk
G. & J.
General
Giant
Goodrich
Goodyear
Hartford
Hood
India
Kelly-Springfield
Lambert
Lee
Leviathan
Mansfield
Marathon
McClaren
Michelin
Miller
Mobawk
Monarch
Murray
Northern
Norwalk
Overman
Racine
Republic
Revere
Richland
Samson
Selberling
Standard Four
United States
Victor-Springfield
Viking

Exhibit 9: Advertisement used in *Country Gentleman* by Rubber Institute, Inc.

Standard Warranty for Pneumatic Casings and Tubes

"Every pneumatic tire of our manufacture bearing our name and serial number is warranted by us against defects in material and workmanship during the life of the tire to the extent that if any tire fails because of such defect, we will either repair the tire or make a reasonable allowance on the purchase of a new tire."

THE RUBBER INSTITUTE, INC.

This revised warranty has been put before the public through the biggest campaign of advertising ever undertaken by the industry at large.

Its success as a merchandising help is in the hands of the tire dealers.

James L. Caldwell
Director General
THE RUBBER INSTITUTE, INC.

The purpose of this campaign is to bring to the attention of the public the fact that the Rubber Institute, Inc., is an association of manufacturers, organized to promote the interests of the rubber industry. Its objects are to eliminate trade abuses, to promote sound economic business customs and practices, to foster wholesome competition, and thus generally to promote the service of the industry to the public welfare.

Exhibit 10: Trade paper advertisement used by Rubber Institute, Inc.

85 million advertisements, in the newspapers, farm papers and magazines have spread this message to the tire users from coast to coast.

"The manufacturers listed below, who produce over 95% of the tires made in America, guarantee tires bearing their names and serial numbers against defects for the entire life of the tires."

- | | |
|-------------------------------------|-----------------------------------|
| ALIX RUBBER COMPANY, INC. | INDIA TIRE & RUBBER COMPANY |
| THE BADGER RUBBER WORKS | KELLY-SPRINGFIELD TIRE COMPANY |
| THE BRUNSWICK TIRE CORP. | LANBERT TIRE & RUBBER CO. |
| THE COLUMBUS TIRE & RUBBER CO. | LEE TIRE & RUBBER COMPANY |
| COMBINATION RUBBER MFG. CO. | LEVITT TIRE & RUBBER CO. |
| THE COOPER CORPORATION | THE M. & M. MFG. CO. |
| CONDUIT TIRE COMPANY OF MICHIGAN | THE MANFIELD TIRE & RUBBER CO. |
| THE DENMAN CORD TIRE CO. | MARATHON RUBBER CO., INC. |
| THE DIAMOND RUBBER CO., INC. | MICHLER TIRE COMPANY |
| DUNLOP TIRE & RUBBER CO. | THE MILLER RUBBER COMPANY |
| EMPIRE TIRE & RUBBER CORP. OF N. J. | THE MONROE RUBBER COMPANY |
| THE FALLS RUBBER COMPANY, INC. | MONARCH, THE HARTVILLE RUBBER CO. |
| THE FAY TIRE CO. | MURRAY RUBBER COMPANY |
| FRUITLAND TIRE & RUBBER CO. | THE NORTHERN RUBBER COMPANY |
| THE FISK RUBBER COMPANY, INC. | THE NORWALK TIRE & RUBBER CO. |
| G. & J. TIRE CO. | OVERMAN RUBBER COMPANY |
| THE GENERAL TIRE & RUBBER CO. | RACINE RUBBER COMPANY |
| THE GIANT TIRE & RUBBER CO. | THE REPUBLIC RUBBER CO. |
| THE B. F. GOODRICH COMPANY | REVERE RUBBER CO. |
| THE GOODYEAR TIRE & RUBBER CO. | SAHSON TIRE & RUBBER CORP. |
| HAMILTON RUBBER MFG. COMPANY | THE SEIBERLING RUBBER COMPANY |
| HOOD RUBBER COMPANY | STANDARD FOUR TIRE COMPANY |
| | UNITED STATES RUBBER COMPANY |

THE HUNDRED THOUSAND DEALERS widespread throughout the country who handle standard tires and who display the Institute's seal of approval, add further value to the consumer's purchase in the services they render locally for his immediate convenience. . . .

- giving expert advice on proper size and type
- mounting and dismounting
- checking inflation
- checking wheel alignment
- maintaining repair service

By availing themselves of these expert facilities, car owners secure maximum mileage from their tires.

The workmanship of the tire builder and the services of the tire dealer are thus linked together in support of the manufacturer's warranty.

THE RUBBER INSTITUTE, INCORPORATED

competition of chains, mail-order houses, and so-called "gyp dealers," they would have to place their main reliance for patronage on the quality of tires sold and on the efficiency and courtesy of their service to tire users. Consequently, the trade paper advertisements urged dealers to make use of these selling arguments. They also made a point of the assistance which tire manufacturers were providing in directing consumers to independent dealers for good tires and expert service. One of the six layouts which were prepared for the trade paper campaign is shown in Exhibit 10.

During and after the newspaper advertising, the advertising agency which conducted the campaign interested itself in ascer-

EXHIBIT 11
ANALYSIS OF INTERVIEWS WITH TIRE DEALERS CONCERNING
NEWSPAPER ADVERTISING OF THE RUBBER INSTITUTE,
INC., 1928

	1ST GROUP—AUG. AND SEPT. 1928		2ND GROUP, ANALYZED AS OF SEPT. 22, 1928		ANSWERS TO QUESTIONS SENT BY THE WILLARD STORAGE BATTERY COMPANY TO ITS DEALERS —115 REPORTS	
	Number	Percentages	Number	Percentages	Number	Percentages
Total dealers interviewed....	627	100	120	100	115	100
(1) Those who have heard about or seen Institute advertising.....	504	80.4	110	91.7	103	89.6
(2) Those who are favorably impressed (sympathetic attitude).....	214	42.5	54	49.1	91*	88.3
(3) Those who are unfavorably impressed (antagonistic attitude).....	74	14.7	12	10.9	12	11.7
(4) Those who are indifferently impressed (passive or doubtful attitude).....	216	42.8	44	40	*	
(5) Those who displayed the advertisement or "blow-ups".....	255	50.6	52	47.3	84	81.6
(6) Those who used the advertising in sales talks..	135	26.8	10	9.1	85	82.5

* In the reports from the Willard Storage Battery Company, groups #2 and #4 were combined under #2, because of the difficulty involved in obtaining from the questionnaire answers an exact interpretation of the degree of favor which the dealers manifested. Of the 91 individuals, as nearly as could be judged, 81 were favorably impressed and 10 indifferent.

Comments by Willard Storage Battery Company dealers:

Opinion	Number Who Expressed Opinion
(1) Will help against mail-order competition.....	27
(2) Will bring confidence.....	7
(3) Will educate customers.....	7
(4) Will help promote sales.....	2

taining what impression had been made on retail tire dealers. It supervised the conduct of a survey for the purpose in the latter part of August and in early September. Speed was essential in securing the information. Consequently, in addition to a group of investigators who were sent into the field by the agency, other sources were relied on for interviews and reports. The advertising agencies which handled accounts for tire manufacturing members of the Institute gave their assistance, as well as the Curtis Publishing Company and the newspapers which constituted the membership of the One Hundred Thousand Group of American Cities. The Willard Storage Battery Company mailed a questionnaire of similar import to its retail dealers.

Seven hundred forty-seven reports of interviews were received covering retailers in 22 states and the District of Columbia. No report was included in the agency's tabulation unless it had resulted from an actual interview. The answers to mail questionnaires of the Willard Storage Battery Company were tabulated separately.

The results of the investigation appear in Exhibits 11 and 12.

EXHIBIT 12

DISTRIBUTION OF TIRE DEALERS INTERVIEWED, BY STATES, AND THE PERCENTAGE OF THE TOTAL WHO KNOW OF THE ADVERTISING OF THE RUBBER INSTITUTE, INC.*

States in Which Interviews Were Conducted	Number of Interviews	Number of Dealers Who Have Seen or Heard of Advertising	Percentage of Dealers Interviewed Who Know of Advertising
Massachusetts.....	30	26	86.6%
Connecticut.....	29	23	79.4
New York.....	163	117	71.8
New Jersey.....	97	79	81.4
Pennsylvania.....	54	36	66.6
Ohio.....	57	49	86.0
Indiana.....	14	14	100.0
Michigan.....	60	56	93.4
Illinois.....	83	65	78.4
Wisconsin.....	11	11	100.0
Iowa.....	2	2	100.0
Kansas.....	4	4	100.0
Missouri.....	11	10	91.0
California.....	12	12	100.0
Total.....	627	504	80.3%

* This tabulation includes only the first group of 627 interviews.

Since personal conversations had been the basis for all the reports made to the agency, the comments of individual retailers proved a valuable supplement to the statistical information provided by the tables. These comments were included in considerable number in the final report prepared by the agency.

The reactions of retailers varied widely, but it was found that in general the more progressive among them approved the stand taken by the Institute and could be counted upon for hearty support. The chief difficulty experienced by the dealers lay in the interpretation of the phrase "for the life of the tire" which had been inserted in the revised warranty. Not only the tire dealers, but consumers as well, had been confused by this wording, and both appeared anxious for further explanation. The Institute and agency anticipated that additional publicity would be required in the future to amplify the Institute's position in that respect.

Aside from a definite interpretation of "the life of the tire," no further advertising was contemplated in December, 1928, in promulgation of the revised standard warranty. In that respect the Institute considered that the purpose of the advertising had been accomplished. First, the investigation had revealed that tire dealers were almost universally familiar with the warranty. Second, although complete support by dealers had not been secured, nevertheless it appeared that half of them were distinctly favorable and from 35% to 40% in addition were willing to give the warranty a try. Third, the fact that favorable response on the part of consumers in general had not been secured was indicated by dealers' statements, despite some evidence to show that the manufacturers' position was not entirely unappreciated. Such response, however, had hardly been anticipated as a result of so short a campaign; if it were to be obtained through advertising, long-continued pressure was considered to be necessary. Without further advertising the solution rested with tire retailers, since the manufacturers as such had no contact with consumers. Fourth, in respect to securing the cooperation of those competing distributors who were using mileage guaranties, the Institute considered that its advertising had placed it in an advantageous position. Controversy had been specifically avoided in the copy, and the whole campaign had dramatized the solidarity of the manufacturers.

COMMENTARY: This case is of interest in the present collection in that it presents an example of cooperative advertising and publicity effort which aimed not to stimulate an increased demand for a product but to accomplish a specific limited purpose, that of making favorably known a sales policy designed to correct an evil of the industry.

It is not the purpose of this commentary to discuss the merits of the general warranty as against the specific guaranty. Suffice it to say that the specific guaranty of fixed mileage on automobile tires was subject to such abuses that the tire industry did well to try to rid itself of the guaranty practice.² The problem presented to the Rubber Association of America was that of eliminating the specific guaranty without incurring antagonism on the part of the public and dealers.

The approach taken in the advertising in 1923, of laughing off the necessity of a specific guaranty instead of entering on a program of defensive argument, appears sound. There may be some question, however, as to whether or not the real purpose of the advertising was so subtly presented and so deeply buried in the copy of the advertisements that it was lost to the casual magazine reader. The follow-up program in subsequent years, whereby posters illustrative of proper tire usage were sent to dealers for display and booklets on the subject were distributed among automobile owners, was good strategy. It provided a service to users, and through curtailment of abuse of tires reduced the basis of claims for adjustment.

With the threatened return of the specific guaranty in 1928 under the stress of excessive competition, advertising again was brought into play to announce the stand of members of the newly formed Rubber Institute on the matter of guaranty. It must be recognized that in the exercise of the general warranty the cooperation and understanding of dealers was an important consideration. The use of a substantial announcement to consumers probably served well in impressing upon dealers the policy of the general warranty. Moreover, the efforts made to draw the policy of the Institute to their attention through mail pieces and trade paper advertising and to secure their active cooperation in the campaign to make the general warranty widely known and uniformly applied, were sound procedure.

It is to be noted that in this second campaign of advertising the Institute again avoided a spirit of controversy. It was thus in a better position to secure cooperation from those tire manufacturers and distributors who were not at the time cooperating in its policies.

² Cases dealing with the subject of the specific guaranty vs. general warranty are found in the Tenzner Rubber Company, 1 H.B.R. 404, and the Afferiat Watch Company, 1 H.B.R. 406. A commentary on these cases is to be found in 2 H.B.R. 521.

Whether so large an expenditure in paid space to give an announcement of policy was necessary or not is a matter of opinion concerning which it is difficult to draw definite conclusions with the limited knowledge of the conflicting interests in the industry to be had from the statement of the case. It is clear, however, that at a time when a demoralizing competition was threatening, a strong reiteration of its guaranty policy tended to strengthen the position of the Institute in negotiating with dealers and the public and in dealing with non-cooperating organizations. Under the conditions of excessive competition arising from production facilities so much in excess of demand, there must have been uncertainty as to the obtaining of the desired results by means of the advertising.

Although the case does not contribute to an estimate of the use of advertising as a means of stimulating primary demand, it is of interest in showing the use of cooperative advertising for a special purpose.

April, 1931

N. H. B.

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